

# INTERNATIONAL Herald Tribune

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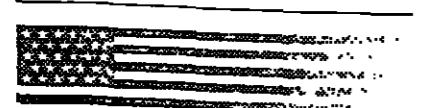
Paris, Friday April 29, 1994

No. 34,575

## The Bonds of D-Day: Fading With the Years *The Old Order Has Been Overturned, And U.S.-European Alliance Drifts*

By Jim Hoagland  
*Washington Post Service*

WASHINGTON — Fifty years after Operation Overlord sanctified the trans-Atlantic relationship in blood and steel on the beaches of Normandy, America and Europe are drifting together, and drifting apart. The 50th anniversary observance of D-Day this spring occurs in a moment of

 This opens a series of articles on the future of the American-European relationship. On Monday, the next installment will examine security in the post-Cold War world. Subsequent articles will appear weekly until June 6.

transition, as the leaders of America and Europe grope for new forms of alliance to replace the effective political partnership they forged to overcome the German Nazis and then the Soviet Communists.

The collapse of the Soviet Union and the end of the Cold War — in some ways, the final act of the liberation of a continent that Operation Overlord launched — have freed America and Europe to turn inward and concentrate on long-subordinated domestic challenges, while paying fitful joint attention to war in the Balkans and other security problems.

In this sense America and Europe drift together, without focusing or adopting a new trans-Atlantic consensus.

In this moment of transition (and to a great extent because of this moment of transition) America will be represented at the Normandy anniversary by a president not yet born when Operation Overlord began. In his youth and inexperience on the world stage, William Jefferson Clinton embodies the growing ambivalence and uneasiness of the American nation about its role abroad. Without knowing the future, it is impossi-

ble to say whether history flirts with ephemeral irony, or with lasting symbolism, in having the celebration of America's most significant military triumph abroad presided over by Mr. Clinton, 47, whose formative political experiences came protesting American involvement in Vietnam and avoiding a draft he considered unjust.

This American president is determined to be re-elected by working hard to provide increased economic and personal security for Americans at home while avoiding costly new commitments abroad.

Mr. Clinton is sure about what he does not want to do than he is about what he wants to do overseas. He and his foreign-policy aides have explicitly said that they consider Europe to be less important than did their predecessors, especially in comparison with Asia.

The drifting apart is clear on the other side of the Atlantic as well: Bosnia, recession and the costly reunification of Germany have sapped the credibility and energy of the major European governments at the same time. Their complaints of a lack of clear American leadership on Russia, the Balkans and other topics, if largely justified, also reflect Europe's own weaknesses and self-absorption.

Similar complaints have been voiced in the past, and periods of "disarray" have been frequent in the Atlantic alliance. But the timing of the 50th anniversary of D-Day underscores that the cleavage is much more significant now than in the past.

To look back at June 6, 1944, from this distance is to survey the collapse and rebuilding of a global society that is once again on the cusp of enormous change.

Paradoxically, the invasion of Europe by an American-led army would have political consequences that outlasted its military significance.

D-Day brought a formerly isolationist America back into Europe physically and politically. The success of the invasion began a political order that would dominate world politics for the next half-century.

Out of the trans-Atlantic alliance grew the United Nations, a free international trading

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## Seeking 'Legitimacy,' South Africa Extends Voting in 6 Black Areas

By Paul Taylor  
*Washington Post Service*

JOHANNESBURG — South Africa's multi-racial election was extended Thursday for one day in six black areas covering about one-third of the population, where administrative problems made it difficult or impossible for people to vote.

The extension, ordered amid a rash of complaints about voting irregularities and logistical snafus, drew support across the political spectrum. But it has also increased the likelihood

that the vote count — which will now not start until Saturday — will be slow, messy and subjected to partisan challenges.

President Frederik W. de Klerk, who ordered the extension on the recommendation of the independent Electoral Commission, said he took the step because "we must be able to say that all South Africans who wished to vote were given the opportunity."

Otherwise, he said, the "overall legitimacy" of his country's founding democratic election would be in jeopardy.

Earlier Thursday, Nelson Mandela, the African National Congress president, asserted that there had been "massive sabotage" in the first two days of balloting. He complained that the huge majority of administrative problems at polling stations were in black rather than white areas.

As soon as Mr. Mandela made the allegation, the ANC began softening it — not an unfamiliar maneuver for an organization whose leader is prone to off-the-cuff commentary.

ANC spokesmen said Mr. Mandela's re-

marks should be seen as an expression of frustration rather than as a sweeping indictment of the legitimacy of an election that is expected to make him president. The organization continued to suggest that there had been specific irregularities here and there — as did all other parties — but said it was satisfied with the extension.

The balloting went relatively smoothly throughout much of the country on Thursday as voting stations that had been overrun on Wednesday were much less busy and more

relaxed. Once again, there were virtually no reports of violence or overt intimidation.

All through Wednesday night and Thursday, the army's printing presses churned out millions of extra ballots, which were transported in military aircraft to regions of the country that had experienced shortages on Wednesday.

One of the still unresolved mysteries of the electoral process is why, with an initial printing of 40 million ballots for an electorate estimated

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## China Bracing For Trouble Down on Farm

By Lena H. Sun  
*Washington Post Service*

YUANZHUANG, China — Home to the majority of China's nearly 1.2 billion people, rural areas have largely been passed over by China's economic boom. Real incomes have fallen in recent years. Peasant protests, particularly in poor inland areas like this one, have been on the increase, according to peasants and pro-democracy campaigners.

In some regions, officials are already bracing for possible trouble ahead.

"This year there may be small-scale protests, but not major chaos," Xiao Yang, the governor of Sichuan Province, recently predicted. By small-scale protest, he was referring to unrest last summer in Sichuan's Renshou County, when thousands of angry peasants stormed government offices, held local officials hostage and attacked them with bricks and clubs to protest excessive local levies.

Near the southern city of Guangzhou two weeks ago, policemen fired tear gas into a crowd of about 3,000 peasants who were protesting corruption in one of the villages. Hong Kong newspapers have reported. The villagers said officials had sold public farmland to foreign investors without adequately compensating the peasants.

Five years ago, corruption was one of the factors that touched off the democracy protests that were violently crushed by the army. Now, corruption within the party has become so pervasive that the vice president of the Central Communist Party School in Beijing last month described the relationship between ordinary Chinese and the party as one of "acute tension."

"If not dealt with properly, this will cause social unrest and political instability," the

See PEASANTS, Page 4

## Kiosk

### Inflation Signal Spurs Bond Sell-Off

Dow Jones	Down 31.23	Trib Index	Up 0.21%
	3668.31		112.48

The Dollar	Then, close	previous close
DM	1.681	1.6723
Pound	1.514	1.5045
Yen	101.275	102.33
FF	5.6885	5.7345

**General News**

Bosnian Serbs are refusing to comply fully with NATO's Gorazde ultimatum. Page 2.

**Books**

Bridge

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United States bond prices plummeted Thursday, putting pressure on the dollar and dragging down stock prices on Wall Street after the government issued a figure that showed inflation was still a danger even though growth had slowed in the first quarter.

The benchmark 30-year U.S. Treasury bond slumped nearly two points as traders focused on indications that prices rose more than expected even though gross domestic product grew only 2.6 percent in the first quarter, down from 7 percent in the last quarter of 1993.

At the close of trading, owners of the benchmark bonds had lost more than \$20 for each \$1,000 face value as the yield reached 7.26 percent, up from 7.10 percent on Wednesday. (Page 11)



TOKYO LINEUP — Prime Minister Hata on Thursday with his new cabinet. Page 2.

## In War on Disease, Gene-Altered Mice May Provide the Magic Bullet

By Rick Weiss  
*Washington Post Service*

WASHINGTON — Scientists have produced a genetically altered strain of mouse that makes antibodies identical to those made by humans. If the mouse-made substances work in people as they have so far in test-tube experiments, scientists will have gained a new ability to attack viruses, tumors or even a person's own faulty immune system cells.

Antibodies are among the body's most powerful defenses — proteins that seek out and destroy invading microbes and other biological interlopers. As a result, they have enormous potential as drugs. Since 1975, researchers have known how to mass-produce them artificially, but they have struggled unsuccessfully to make versions so perfect that the body would not reject them as foreign.

The new work has rekindled hopes that laboratory-grown

antibodies may at last live up to their expected role as "magic bullets" able to fight infections, cancer, organ rejection and chronic inflammatory diseases such as rheumatoid arthritis.

Scientists cautioned that the history of such research is littered with dashed hopes, and final judgment must await further laboratory studies and clinical trials in people. But "if it's really possible to get human antibodies from a mouse,

then you're talking about a quantum-leap advance," said Anthony S. Fauci, director of the National Institute of Allergy and Infectious Diseases. "The implications are really tremendous."

Details of the work appear in Thursday's issue of the journal *Nature*, in a report by Nils Lonberg and colleagues at GenPharm International, a biotechnology company in

See GENES, Page 4

## Once-Smug Geneva Begs for Its Own Kind of Business

By Paul Lewis  
*New York Times Service*

GENEVA — The grim gray spires of John Calvin's cathedral rise above the southern shore of the bottle-green Lake Geneva, while on a hillside above the northern shore is the cluster of international organizations, ranged around the monumental old League of Nations headquarters.

Geneva has always held these international guests primly at arm's length, but that is changing.

A decade or so ago, with Geneva's economy booming, politicians were hanging out the full-up sign, saying the city already had enough international organizations.

which has managed world trade for the last 47 years, will be transformed into the bigger World Trade Organization. The new organization will have hundreds of well-paid international civil servants with lifetime job security.

Two years ago Geneva lost out to The Hague in a fight for an international inspectorate to enforce the chemical-weapons ban. Last year Geneva lost out to New York for the agency that will monitor compliance with environmental goals set at a meeting in Rio de Janeiro in 1992.

Last year the Organization of Petroleum Exporting Countries decided to move its headquarters back from Vienna. But Vienna has tried to persuade OPEC to change its mind,

offering a magnificent 18th-century palace to replace its undistinguished office building.

Now the Swiss government is negotiating to try to ensure that the World Trade Organization will remain in the vast stone building the General Agreement on Tariffs and Trade occupies on Lake Geneva's shore.

Peter Sutherland, the director-general of GATT, insists that "the negotiations are real and the outcome not preordained."

Arthur Dunkel, the previous head of GATT and a Swiss, agreed, saying, "It's good to remind the Swiss that nothing is forever."

Mr. Dunkel has just created a group that will

See GENEVA, Page 4

## The Highway Was His Way

Jürgen Schneider, the German real-estate developer who fled a debt-ridden empire, left behind him a trail of unemployment. In his mock-Tudor castle, home of his soon-to-be jobless staff gathered to sing around the piano and wonder what to do next. There was also much discussion of whether Mr. Schneider was an evil genius or just a megalomaniac trapped by reality. Many think that he was overwhelmed by his business empire. Fearing his creditors, Mr. Schneider may have simply panicked. (Page 11)

# New Japan Cabinet Leans to the Right

## Hata Shows a Cautious Bent In Appointments, and Words

By James Sterngold

New York Times Service

TOKYO — Over the last week, the question for Prime Minister Tsutomu Hata was whether he would be able to entice the Social Democratic Party back into his fractious coalition or would have to struggle without it in a minority government.

But as he finally assembled his cabinet Thursday without the Socialists, and set sail on a wobbly course as Japan's first minority government in 39 years, it was clear that the issue had been not just one of parliamentary strength but one of ideology.

Mr. Hata pledged that his government's mission would be to carry on the process of economic and political reform begun by his predecessor, Morihiro Hosokawa. But Mr. Hata's cabinet choices and his comments Thursday suggested the government has swung decidedly to the right on important issues.

Not only are the six Socialists from the last coalition government gone, replaced by conservatives, but the new cabinet includes a retired general for the first time in the post-World War II era.

Shigeto Nagano, 71, the justice minister, served as the highest officer in the Ground Self-Defense Force, as the army is known, before retiring and winning a seat in the parliament.

And the foreign minister is Koji Kakizawa, 60, an articulate former Finance Ministry bureaucrat who has argued that Japan should allow its military to be used abroad in peacekeeping missions, even when there is a threat of hostilities.

That sort of independent stance is anathema to Japan's leftists, and even to many older Liberal Democrats who remember World War II and distrust the ability of civilians to control the military.

Thus, Mr. Kakizawa, who defected a week ago from the Liberal Democratic Party, the most conservative party, leans decidedly to the right, by Japanese standards.

"In international affairs we have to be open to collective security arrangements, to have shared responsibility in our security affairs," he said in an interview this week.

"I don't just mean financial responsibility," he said, "but shared risk-taking in maintaining the security of that region."

That stand is particularly important now, with the United Nations trying to determine how to persuade North Korea to stop blocking inspections of its suspected nuclear weapons program.

## The New Japanese Cabinet

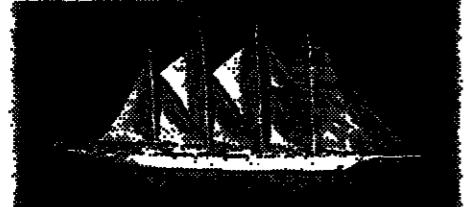
Reuters

Following is the new Japanese cabinet, appointed on Thursday (J-Japan Renewal Party, C-Clean Government Party, D-Democratic Socialist Party, N-Japan New Party, L-Liberals, R-Reform, P-Nonpolitical):

Tsutomu Hata (J)  
Koji Kakizawa (L)  
Shigeto Nagano (L)  
Hiroshi Fuji (I)  
Ryoko Arai (P)  
Aigo Ono (D)  
Mitsuru Kato (D)  
Eijiro Hata (J)  
Nobuaki Futami (C)  
Katsuyuki Hikaru (C)  
Kumi Hiyayama (R)  
Koji Morimoto (D)  
Hajime Ishii (I)  
Hirosi Kumagai (I)

Koshiro Ishiba (C)  
Atsushi Kanda (N)  
Yoshio Terasawa (N)  
Mikio Ono (C)  
Toshiko Hamayoshi (C)  
Megumi Sato (I)  
Moriyoshi Sato (I)

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Vladimir Zhirinovsky (right) and Gennadi Zyuganov, left, and Vladimir Zhirinovsky contemplating the pact Thursday. Mr. Zyuganov, of the Communists, did not sign.

## Yeltsin and Opponents Sign a Truce

By Michael Specter

New York Times Service

MOSCOW — With far more pomp than circumstance, President Boris N. Yeltsin won approval on Thursday for a national peace pact with most of his political opponents.

The treaty, signed in the Kremlin and broadcast to the nation on television, has been literally the only domestic initiative in which Mr. Yeltsin has invested his prestige all

year. It is supposed to guarantee that there will be no political violence before the next presidential elections, scheduled in 1996. That would give the government two years of calm to focus on economic recovery. Everyone who signed the agreement promised not to seek early elections or push for major changes in the constitution.

But almost nobody feels the pact means much. Vladimir V. Zhirinovsky, the extreme nationalist leader whose party drew among the most votes in the parliamentary elections last December, decided to sign Thursday —

although he had condemned the accord the day before.

"I have come here to take a look," Mr. Zhirinovsky said as he arrived at the Kremlin. "If Yeltsin smiles at me, I'll sign. If not, I don't know."

Almost all parliamentary factions agreed to sign as did representatives of 20 of the country's 21 semi-autonomous regions. Chechnya in the northern Caucasus was the one exception.

Mr. Yeltsin has made what most political analysts here consider major concessions to gain agreement to his plan, officially known as the Treaty on Social Accord. In order to calm the surging attacks from nationalists, the president has shown stronger support for the Bosnian Serbs, postponed Russia's entry into the North Atlantic Treaty Organization's Partnership for Peace and said that Russia might refuse to participate in the first planned military exercises later this year with the United States.

Almost no issue has been a more volatile issue for the right here. "What we have done indicates that Russia

has an alternative to confrontation," said Mr. Yeltsin, who must deal with a parliament not all that different in political character from the one he sheathed out of the building last October. "It will not be easy to achieve. Confrontation still lives in our souls."

"Almost 80 years ago our country was plunged into civil war," he added. "The curse of that war still hangs over Russia. We must break the bloody chain of such events."

The treaty requires that a commission be created to address political crises before they spiral out of control and into violence. Most signers have agreed that the idea is noble. But few think it will actually keep the peace.

It has been hard for many people to understand Mr. Yeltsin's devotion to the accord — and his seemly lack of attention to nearly all other details of state.

The treaty presents possible problems for Mr. Yeltsin. The Communists, led by Gennadi Zyuganov, and the Agrarian Party refused to sign. And some feel that they could form a loose coalition with such annexed rebels as former Vice President Alexander V. Rumskoi to challenge the current government.

## Bosnian Serbs in Standoff With NATO

By Roger Cohen

New York Times Service

SARAJEVO, Bosnia-Herzegovina — Bosnian Serb forces have not complied with a UN ultimatum to withdraw beyond three kilometers from the Gorazde city center and are refusing to leave a southern area of the town called Zupicci because, they say, it was populated by Serbs before the Bosnian war erupted.

A senior Western official who visited the area Wednesday said on Thursday that Serbian civilians appeared to have been brought in to populate Zupicci since the Bosnian Serb offensive on the eastern Bosnian town began a month ago, and that at least 65 armed Serbs were now guarding it.

"Many of the armed Serbs, whom the Bosnian Serb authorities call militia and the Bosnian government say are soldiers, are posted up to 800 meters within the NATO exclusion zone," the official said. "It has become an explosive issue."

The official's remarks suggested that statements this week by the North Atlantic Treaty Organization and by Lieutenant General Sir Michael Rose, the commander of United Nations forces in Bosnia, affirming that the Serbs had fully complied with the NATO ultimatum, are inaccurate.

In fact, it appears that a highly complex standoff, reflecting the fluxes of persecuted populations that have taken place during this war, has developed between the Serbian forces and the Muslims in the Zupicci area, well within the NATO exclusion zone at Gorazde. As a result of the conflict, attempts to start new internationally mediated talks on a Bosnian cease-fire are in effect paralyzed.

Indeed, the dispute is so delicate that officials said Yasushi Akashi, the top UN official in the former Yugoslavia, called Radovan Karadzic, the leader of the Bosnian Serbs, to the Yenbyong.

Mr. Meyer said that unless inspectors were given the chance to inspect the reactor, including the spent fuel, they would not be able to determine whether the reactor's use was entirely peaceful.

"We are ready to immediately send our inspectors on condition that they will be able to conduct full inspections," Mr. Meyer said.

The 5-megawatt reactor has been at the heart of the mystery over whether North Korea has at least

Serbs, on Thursday in a bid to persuade him to get the armed Serbs out of Zupicci.

But General Ratko Mladic, the commander of the Bosnian Serbs, has apparently insisted that any such withdrawal would leave the newly arrived Serbian civilians in Zupicci acutely vulnerable to attack by the Muslims, and has therefore refused to move the men.

Under the ultimatum, issued last Friday, all Serbian forces were supposed to withdraw beyond three kilometers (two miles) from Gorazde city center by last Saturday or face NATO air strikes.

The United Nations, however, which has the last word on calling in NATO air power, tends to show considerable flexibility in interpreting such deadlines because its personnel in Bosnia would be im-

mediate targets for Serbian reprisal in the event of an attack.

The dispute over Zupicci overshadowed a first meeting here Thursday between the Muslim-led Bosnian government and officials representing a newly established "contact group" comprising the United States, the European Union, the United Nations, Russia, France and Britain. As a result of the impasse, the talks achieved little.

"We told the contact group that we had just received a message that the Serbs have not withdrawn from the three-kilometer zone," President Alija Izetbegovic of Bosnia said afterward. The government argues that the international community lacks all credibility to mediate peace talks if it cannot bring the Serbs to comply with a NATO ultimatum.

The Serbs contend that they forces are out of the exclusion zone at Gorazde and that those left in it are "policemen." The United Nations and NATO have publicly agreed with them, while privately conceding the policemen are probably soldiers in new uniforms.

Whether Zupicci was in fact a predominantly Serbian part of the town before the war is unclear. Mr. Karadzic and General Mladic claim that it was. Haris Silajdzic, the Bosnian prime minister, denies this. UN forces here are not sure.

■ U.S. Jet Crashes in Sea

An FA-18 jet launched off the deck of the U.S. aircraft carrier Saratoga crashed Thursday during NATO operations in the Adriatic Sea, the Associated Press reported, quoting a Sixth Fleet statement. The pilot was killed.

## WORLD BRIEFS

### Tehran Is Aiding IRA, Britain Says

LONDON (AP) — Iran is helping the Irish Republican Army in its violent campaign against British rule in Northern Ireland, the British government said Thursday.

"We are convinced that there have been contacts between Iranian intelligence and the IRA," a Foreign Office spokesman said. But the spokesman refused to discuss the alleged contacts, nor would he specify the assistance Iran allegedly provided.

Foreign Minister Douglas Hogg summoned the Iranian chargé d'affaires, Gholamreza Ansari, to the Foreign Office to demand that the contacts "be immediately and conclusively severed." Mr. Ansari denied that Iran had helped the IRA. "I'm sure it's not right," he said after the meeting.

### BBC Warns Malaysia on Censorship

KUALA LUMPUR (Reuters) — The BBC has threatened to stop providing news to Malaysia's state television station because of censorship, an Information Ministry official said on Thursday.

The BBC notified Radio Televisyen Malaysia (RTM) by letter last week that it would stop providing programs starting May 1 unless the censorship stopped.

The BBC objected after several scenes were cut from a report about labor riots in neighboring Indonesia. The national news agency Bernama quoted Faizal Abdul Rahman, the Information Ministry's parliamentary secretary, as saying that Southeast Asian countries had agreed among themselves to refrain from broadcasting news that might be sensitive to their neighbors.

### Russia Signs Arms Pact With Syria

DAMASCUS (Reuters) — Russia has signed a military cooperation agreement with Syria that would pave the way for resumption of arms supplies to Damascus, Russian officials said Thursday.

They said the agreement, the first of its kind since the Soviet Union collapsed in 1991, had been signed Wednesday at the end of a visit by Russia's deputy prime minister, Oleg N. Soskovets. "It is an agreement for cooperation in the military field, including the selling of weapons and training in how to use them," a Russian official said.

The Soviet Union for many years was Syria's main supplier of arms.

But in the final phase of Communist rule, Moscow shifted its stance on the Arab-Israeli conflict, telling Damascus to forget its hopes of military parity with Israel and pressing for payment of substantial debts.

### Retrial Set in German Firebombing

KARLSRUHE, Germany (Reuters) — An extreme rightist convicted of organizing a firebomb attack against a foreigners' hostel will be retried after Germany's highest criminal court ruled Thursday that his sentence was too light.

The appeals court said Rüdiger Klaes should be tried for attempted murder, a more serious charge than the counts of attempted grievous bodily injury and arson on which he was convicted.

Mr. Klaes, a former leader of the far-right National Democratic Party, was sentenced in June to three years in prison for recruiting and arming nine youths to carry out the firebombing of the hostel near Bozenburg in the northeastern state of Mecklenburg-Vorpommern in 1992. The regional court that convicted him and nine co-defendants ruled that there was not enough evidence of intended injury to sentence him for attempted murder. But the high court ruled that Mr. Klaes must have known that people could have been killed in the fire in which three foreigners were injured.

### Tanks Battle Near Yemeni Capital

SANA'A, Yemen (Reuters) — Rival Yemeni Army units fought tank and artillery battles near the Yemeni capital for a second day in a row on Thursday, sources on both sides said.

The fighting threatened to rupture the 1990 merger agreement between North and South Yemen and raised fears of civil war. Sources in Sana'a, the North, and Aden, capital of the former South Yemen, confirmed the collapse of a cease-fire between units loyal to President Ali Abdullah Saleh and to his rival from the South, Vice President Ali Salem Baid.

Southern Yemeni sources said their troops stationed in potentially hostile territory that used to be North Yemen had the support of local tribes, who were bazing reinforcements from reaching North Yemeni troops. Such tribal involvement, if confirmed, could further complicate the dispute. Colonel Saleh's supporters have expressed anger at what they say have been efforts by the Yemen Socialist Party led by Mr. Saleh to buy support among the often lawless tribes in the North.

### For the Record

President Leonid M. Kravchuk of Ukraine said Thursday that he would ask parliament to postpone the presidential election scheduled for June, arguing that the former Soviet republic would slide deeper into chaos if it went ahead. He stressed he would not run for re-election until laws were passed defining the roles of the legislature and the president. (Reuters)

Paramilitary policemen and civilians went on the rampage in Kimpese, in western Zaire, on Thursday, pillaging churches, shops and clinics in the town, diplomats in Kinshasa said. It was not clear what sparked the incident, but previous such violence has been over army pay. (Reuters)

## TRAVEL UPDATE

### Pilots Targeted in Ex-Soviet Republics

HONG KONG (AFP) — Robbers are taking to the skies of the former Soviet Union, preying on pilots who must carry bags of American dollars and Deutsche marks to cover operating expenses, the International Federation of Airline Pilots Associations said Thursday.

The association's president, Bart Bakker, said airports were demanding that incoming flights pay on the spot, and in cash, for such expenses as landing fees and fuel. So the pilots have to carry huge amounts of cash.

Mr. Bakker said, "There have been many instances — recorded instances — in which pilots have been robbed, molested or even killed for that money." Some 306 airlines now operate in the former Soviet republics, which used to be served by just one carrier, Aeroflot, which continues to operate as Russia's principal airline.

A security alert at Schiphol International Airport outside Amsterdam went into its second week Thursday, with the police continuing to block access from the approach to the main terminal. The Amsterdam daily Het Parool reported that this was in response to the threat of an Islamic militant attack on Israeli, Egyptian or American targets. (AP)

Traffic will be severely disrupted in Prague during the summer tourist season because of extensive work on the city's main axis, especially in central Prague between the Maserky railway station and Wenceslas Square, the police said Thursday.

"Golden Week," a series of national holidays in Japan, starts Thursday, and a record 455,000 Japanese are expected to tour abroad. Official holidays are Friday and next Tuesday through Thursday, but many workers are given 10 days off or fill the gaps by taking a few days of vacation.

United Airlines has asked city officials for another delay in the opening of the new Denver airport, now set for May 15, because of the troubled baggage system. The city canceled a pre-Christmas opening because construction was behind schedule, and a March 9 opening was postponed.

Air traffic in three north Italian international airports may be disrupted Monday by a strike of air controllers and ground personnel, who seek a change in regulations and the hiring of more workers. They plan to strike for two hours in the Milan airports of Linate and Malpensa. Air controllers at Orio al Serio airport, near Bergamo, plan to strike for six hours.

(AP)

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# An Israeli Settler Gets Life Sentence For Killing Arab

By Joel Greenberg  
New York Times Service

JERUSALEM — A Jewish settler was convicted of murder and sentenced to life in prison on Thursday for shooting a Palestinian who had been bound hand and foot after a stabbing attack last year in the occupied West Bank.

The verdict came amid a government crackdown on Jewish militants that began after a settler massacred at least 29 Muslims at a mosque in the West Bank town of Hebron on Feb. 25.

In the ruling, a three-judge panel of the Jerusalem District Court found the settler, Yoram Skolnik, guilty of premeditated murder in the shooting of the Palestinian, Musa Abu Sabha, near the settlement of Silwan, south of Hebron, in March 1993. Under Israeli law, murder carries a mandatory sentence of life in prison.

Mr. Skolnik, 25, from the settlement of Maaleh Hever, fired nine

shots from his Uzi submachine gun at Mr. Abu Sabha as the Palestinian lay face down with legs bound and his hands tied behind his back.

Mr. Abu Sabha, 20, from the village of Yatta, had been apprehended by settlers near Silwan. After they put him in their jeep, he stabbed the driver. He was then tied up and searched and found to be carrying a grenade. Mr. Skolnik arrived soon after and opened fire.

Mr. Skolnik argued in court that he had felt endangered and had shot at the captive's hands in self-defense, fearing that Mr. Abu Sabha might wriggle free and set off the grenade.

But witnesses testified that Mr. Skolnik had remarked after the shooting: "He had it coming to him. I had a moral right to do it. I wanted to wake the nation up. It was asleep."

Mr. Skolnik acted after a series of Palestinian attacks in Israel and calls from some Israeli rightist politicians to kill Arab assailants on the spot.

Mr. Skolnik's mother, Pearl Skolnik, said the verdict would be appealed to the Israeli Supreme Court.

It was the second murder conviction and life sentence handed down against a Jewish settler since the outbreak of the Palestinian uprising in the occupied territories in December 1987. According to figures kept by B'Tselem, an Israeli human-rights group, 95 Palestinians have been killed in the territories by Israeli civilians since the uprising began.

Human-rights groups have accused the Israeli authorities of being lenient with violent settlers. But after the Hebron massacre, the government disarmed and imprisoned some Jewish militants and outlawed Kach and Kahane Chai, two virulently anti-Arab groups led by disciples of Rabbi Meir Kahane, who was assassinated in New York.

The leader of Kach, Baruch Marzel, was caught hiding in Mr. Skolnik's home this month after having evaded the police for weeks.

## ISRAEL: Target Date Set

Continued from Page 1

stationed directly at border-crossing points. The Israelis want such police officers to be kept sufficiently far away to prevent possible claims of Palestinian independence or sovereignty at these locations.

Israeli officials said progress was made in resolving other disputes. Israel has agreed to allow the Palestinians to have their own stamps and telephone codes. Israel also agreed to an international force, drawn from eight other countries, to be stationed in Gaza and Jericho under similar terms to the observers to arrive soon in Hebron.

Mr. Arafat pledged to the Israelis to seek to formally annul the PLO covenant with its hostile references to Israel, a promise he made in September but so far has not fulfilled.

## ALLIES: America and Europe Are Drifting Together, and Drifting Apart

Continued from Page 1

system that has brought record prosperity to most countries and a commitment to democracy and collective security that withstood Nazi and Communist dictatorships that seemed bent on global conquest.

Militarily, Operation Overlord was probably history's last great maritime and land assault on a continental scale. About 155,000 American, British and Canadian troops, borne by 5,000 ships and preceded by 1,000 Royal Air Force bombers, landed in Normandy on June 6. Ten days later, 300,000 more men were ashore having won the Wehrmacht across France.

But 14 months later the explosion of the atomic bomb in the Pacific theater changed the rules of global conflict, inaugurating an era in which wars were more likely to destroy continents than liberate them.

The Normandy invasion represented the fulfillment of a commitment made by Franklin D. Roosevelt in August 1941 when he joined Winston Churchill in calling for "the final destruction of the Nazi tyranny" in Europe — four months before America formally entered the war.

The destruction of the Nazis, the two leaders declared in a document called the Atlantic Charter, would establish "a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want."

The landing in Normandy and the campaign that followed did not succeed in bringing the broad peace that Roosevelt and Churchill foresaw in the Atlantic Charter, which was instrumental in establishing the United Nations in 1945. Instead, the Red Army of occupation, taking advantage of the Western invasion demanded by Stalin, raced to Berlin and Central Europe.

But working together, Europe and America established democracy as the form of government to which all Europeans and eventually the Russians as well aspired and adopted. Just as

America had once been termed "the daughter of Europe," in Charles de Gaulle's memorable phrase, the American re-engagement in Europe created new institutional offspring, from the International Monetary Fund to the North Atlantic Treaty Organization.

Those institutions were formed, the French philosopher Raymond Aron once observed, by "men walking backward into the future."

America was determined not to repeat the mistake of leaving Europe unguarded against a continental power seemingly bent on global conquest, as it did in the 1930s. American and European partnership, while frequently strained, shaped the global order.

Perhaps the greatest internal accomplishment of that partnership was the establishment of a strong German democracy that was extended eastward with the breakup of the Soviet empire. It would have been hard to imagine 50 years ago this spring that the present German foreign minister, Klaus Kinkel, would travel to Washington and say, as he did earlier this month:

"Not all of our interests coincide, but our common interests and bonds clearly outweigh the differences. Germany and the United States form the core of NATO. Never before were American forces so closely linked with another ally."

"Since 1945, more Americans have lived and worked in Germany than anywhere else in the world. The United States is Germany's largest foreign investor, and at the same time attracts the most German capital."

For all that, the German chancellor will not be at the D-Day celebration, kept away by British and French sensitivities and memories. Nor does Mr. Kinkel's accurate description of the recent past obscure a growing divergence between Bonn and Washington over the future of Central and Eastern Europe, which surfaced in the debate over the Clinton administration's Partnership for Peace proposal.

Germany wanted to move much faster to bring Poland, the Czech Republic and Hungary into NATO than did the United States and the other allies. Relieved that the European Com-

mon Market, in its various forms, has removed German-French conflict as the motor of war in Western Europe, Germany now turns to the unfinished business of finding stability on its eastern frontier and a modus vivendi with Russia.

Germans have "an unswerving wish" to open Europe to the east, rather than go toward a federal European state centered in the West, Elisabeth Noelle-Neumann, head of Germany's Altenstach Institute, concludes from extensive poll-taking. "People want to keep national variations unchanged."

The extension of German power into the former Soviet sphere of influence is the kind of big strategic question that would have been central to the U.S.-European partnership before. But the lack of substantive consultation and day-to-day attention on this and other large strategic options is striking in American-European relations today.

Although there is no open conflict, the sense of creative partnership that stretched from the Atlantic Charter to the Two-Plus-Four talks on German reunification is now missing. Americans can diplomats and other senior alliance officials concede in private.

The Clinton White House can be roused into episodic action abroad by tragedies like Gorbatov and clear threats like North Korea's reckless pursuit of nuclear capability.

But the president is clearly more comfortable at a jobs summit with finance and labor ministers than he is at a NATO summit. He believes he represents his generation's contribution to the future by emphasizing economics and trade over traditional diplomatic and strategic concerns.

To most members of the generation of Bill Clinton and of the younger politicians yet to come to power in Europe, the moment of truth in the trans-Atlantic relationship that occurred on the Normandy beaches is a distant memory absorbed from history books or elders' tales. The anniversary of that moment is a useful reminder of the task they will face in reinvigorating, replacing, what has been in reinvigorating, replacing, what has been in the central partnership.

Research focused on mice, whose immune systems are similar to humans. And success, it seemed, came in 1975 when scientists developed the technique for making monoclonal antibodies — so called because they are all derived from a single clone, or line of cells.

At first they worked well in people,

researchers said. But since the antibodies had been made in mice, human immune systems quickly recognized them as foreign, and so attacked the would-be comrades before their therapeutic missions were completed.

"Because of those problems, people stopped believing in antibody therapy," said Man Sung Co, director of the antibody humanization laboratory at Protein Design Labs in Mountain View, Calif.

Mr. Martino said Mr. Fini assured him that the National Alliance would not press the issue.

which nearly 80 percent of the members have never served before. Mr. Martino said their lack of experience should not prove a handicap. "There are a lot of intelligent people who are used to learning fast. As for experience, I would say the record of our veterans is probably not something to be proud of."

In European affairs, Mr. Berlusconi's aides say the new government will back Germany in giving strong support to faster integration of the new democracies of Eastern Europe into the West. But it appears to share some of Britain's

doubts about the Maastricht treaty.

"The plan for monetary union by the end of the decade cannot and will not work," Mr. Martino said. "We do not believe in the idea of a social charter. Europe needs more freedom and mobility in its labor markets, and we should not impose high wages on poorer countries."

Despite calls by some neofascist party members to resurrect Italy's claims on parts of Istria and Dalmatia in the former Yugoslavia, Mr. Martino said Mr. Fini assured him that the National Alliance

"But his piggy is better than our homes," said Shi Jingxian, 51, a leader in local peasant protests.

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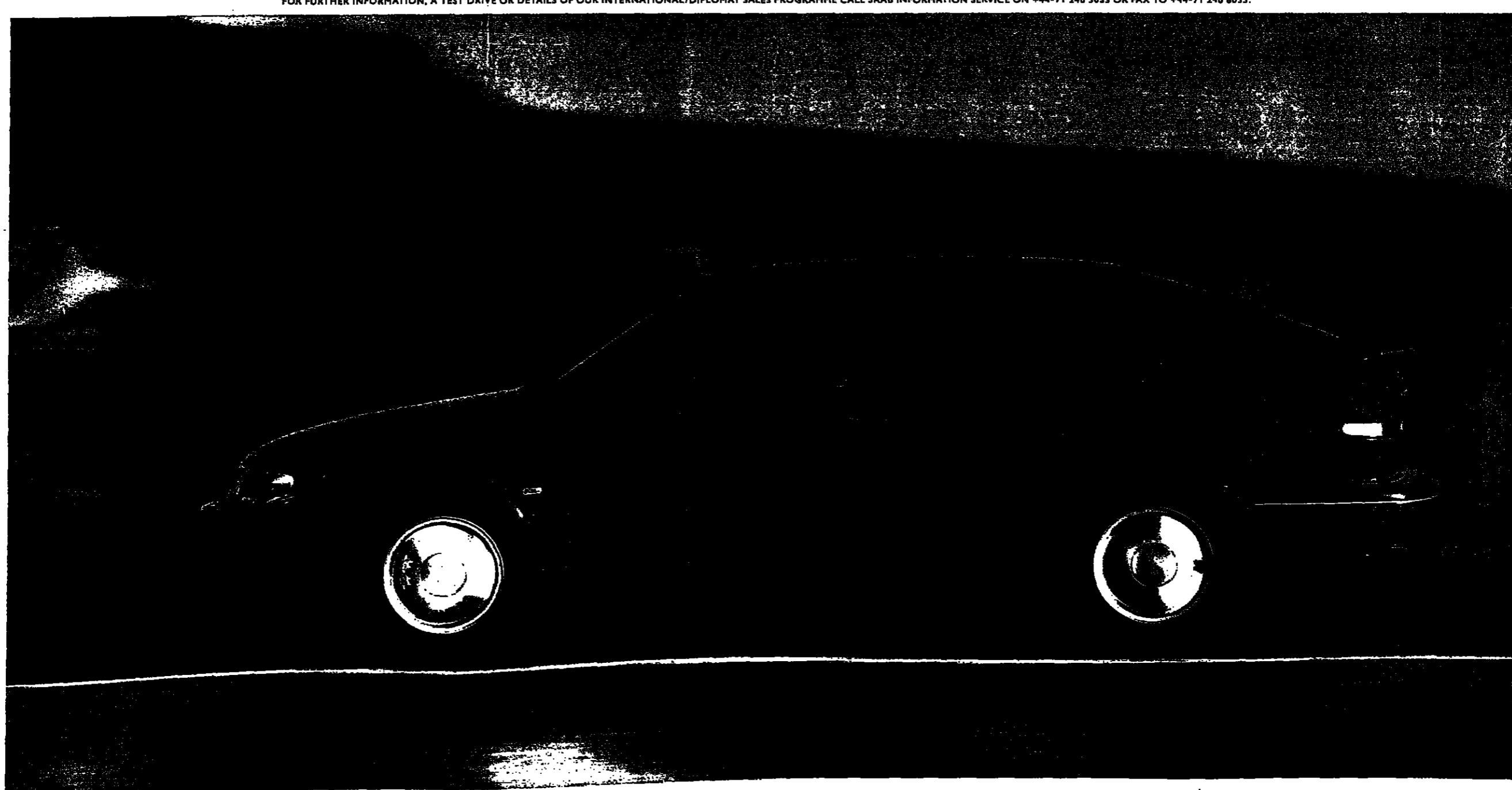
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# INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## The Women Get Their Say

In September thousands of people from all over the world will meet in Cairo at the International Conference on Population and Development, to discuss some of the most urgent problems facing this small planet. At neither of the two previous such conferences, in 1974 and 1984, were women's voices as powerful—or their agenda as broad—as they will be at this one.

The agenda emerged from three weeks of debate, confrontation and aggressive lobbying among delegates from 170 countries meeting at the United Nations this month. True, it is not yet the hoped-for consensus document that could serve as a blueprint for international family planning in the 21st century. But in recognizing that population and development policies must include the empowerment of women, it creates the right context for the Cairo discussions. The draft document acknowledges the inseparability of population control, equal rights, the environment and development.

However, the idea that "giving women real choices," as Nafis Sadik, executive director

of the UN Population Fund, phrased it, could include abortion, or giving adolescents and unmarried women access to contraceptives, stirred opposition from the Vatican, which insisted on deleting broad terms like "reproductive rights," "family planning" and "safe motherhood." "This is really a conference about lifestyles," said Monsignor Diarmuid Martin, its delegate, "and when talking about lifestyles in the future of the society we have a lot to say."

Other delegates — among them an unprecedentedly large and forceful group of women — also had a lot to say. Women everywhere, they pointed out, need more than the ability to limit the size of their families: better health services, better education and, above all, equality and equity with men. Such goals may be elusive, especially in countries where women are still literally chattel. That they were part and parcel of the dialogue at the conference, however, signifies a new direction for population policies — and, perhaps, for the world.

— THE NEW YORK TIMES.

## Backsliding on Free Trade

Canadian durum wheat is now coming into the United States because of the high prices there. To the wheat farmers of North Dakota and Montana, it is an outrage and an invasion of their turf. They want something done about it, and their senators have been in touch with the White House. Although the White House pushed the North American Free Trade Agreement through Congress and hopes to follow it with an even broader worldwide trade agreement, in the meantime it is caving in to the wheat farmers. It has now notified Canada that it is starting the legal process to cut down these troublesome wheat imports.

Why is the price of durum wheat high? One reason is the flooding in the Midwest last summer. Another is that the United States subsidizes its own wheat exports precisely to get the prices up. The Canadian imports are the direct result of U.S. farm policy. Durum is used mostly to make pasta. With these imports restricted, the price of domestic pasta will also rise and the result will be more foreign pasta coming into America from Europe, to the dismay of American manufacturers. The farmers' victory will be won at the expense of the food companies that buy their wheat.

This American action to shut out imported wheat has produced angry rumbles from Can-

ada of a trade war. But perhaps things will not go quite that far. Canada is right in the durum case, but it is on the defensive in other cases as it tries to keep certain American exports — poultry, for example, and dairy products — out of its own protected markets. It seems possible that there will be a deal in which each of the two governments allows its trading rights to be reciprocally violated, up to a point, by the other. That might mean a reduction in Canadian wheat moving south, although not as much of a reduction as the North Dakotans would like, while other American farmers are allowed to send more of their milk and chicken northward.

All of the rich industrial countries regulate and protect their farmers, and they all do it differently. The various national farm subsidy systems will increasingly collide as trade expands, creating furious political quarrels like the durum wheat case. Because of the enormous volumes of trade between Canada and the United States, there are going to be a lot of these disputes. In this one the White House is on the verge of making an expensive concession to protectionism. Too many of them, and the momentum toward more open trade will be lost.

— THE WASHINGTON POST.

## The Justices

Passage of the 1991 Civil Rights Act came after a long legislative battle, the veto of an earlier version and the sort of compromises that make legislation possible. On Tuesday, the Supreme Court of the United States considered the plain language of the statute and the relevant legislative history and concurred, 8 to 1, that the law could not be applied retroactively. The case is a classic illustration of a well-known Washington exercise designed to make law by Congressional Record insert, staled colloquy or committee-report language when the votes to achieve the desired result are not there. The justices now say that won't work.

The law is a broad one written to overturn a number of Supreme Court decisions that interpreted narrowly the civil rights statutes of 1866 and 1964. A version had been passed in 1990 but had been vetoed by President George Bush for a number of reasons, among them its provision making the new law retroactive — i.e., applicable not only to pending cases but also to cases in which final judgment had been rendered.

The president's veto was sustained, but also in 1991 a new bill was introduced that also contained a retroactivity clause. In the course of striking a deal to get a bill that clause was dropped. Nevertheless, plaintiffs in two lawsuits, one from Texas and the other from Ohio, whose cases were on appeal at the time the law was passed, moved to take advantage of the new rights it created. They based their claims on the fact that two provisions of the law, which were not relevant to their claims,

were specifically made prospective in the text. This, they said, implied that the rest of the statute was meant to be retroactive.

The late U.S. Court of Appeals Judge Harold Leventhal once said that a judge's use of legislative history was akin to "looking over a crowd and picking out your friends." In the case of this bill, statements on retroactivity were many and conflicting, and judges relying on legislative history could have concluded the case either way. Eight of the justices did review the history and came to the conclusion that it did not support a finding of retroactivity. Only Justice Harry Blackmun disagreed. But Justice Antonin Scalia, the most vehement and acerbic foe of this exercise, wrote a concurring opinion in which Chief Justice William Rehnquist and Justice Clarence Thomas agreed. He would have ignored all the statements, memorandums of understanding and partisan interpretations of what was being done and relied only on the text of the law, which could have demanded retroactivity, but did not.

— THE WASHINGTON POST.

## Other Comment

### Nixon's Global Achievements

Richard Nixon will be remembered for reasserting U.S. leadership in world affairs at a crucial period in the Cold War. He was a statesman with an ability to view global affairs in broad strategic terms, once having done that, locate U.S. interests precisely and pursue them tenaciously no matter how difficult the terrain got. His foreign policy achievements furthered the interests of America, and the rest of the free world, in the make-or-break battle between communism and capitalism. That was evident in the Vietnam War. Even greater an achievement was the Chinese-U.S. rapprochement of 1972. There were other successes: the signing of the Strategic Arms Limitation Treaty with the Soviet Union and attempts to resolve the Middle East impasse.

The ignominy of his departure — resignation in the face of certain impeachment —

became a major theme of contemporary American political history. In international terms, Watergate would, given the space of time and reflection, turn out to be only a footnote in history. Richard Milhous Nixon, by contrast, will be remembered as one of the great statesmen of this century.

— *The Straits Times* (Singapore).

### NATO Gets More Convincing

NATO has flexed its muscles again and this time in a more convincing and decisive manner. The Serbs suspended the massacre of the Muslims of Gorazde, but not without hesitating. Who knows if it is really a turn for the better for Gorazde, as well as the other besieged Muslim cities, or if it just another of the many tactical moves before the strategical game begins again. Now, however, NATO is playing hard. Finally,

— *La Stampa* (Turin, Italy).

## Is Fear the Only Way To Keep the Order?

By Flora Lewis

PARIS — Just as the utmost limits of international toleration were reached, the Bosnian Serbs appear to have let go of a thoroughly devastated Gorazde. Once again, their wily brinkmanship has achieved key aims and left them to calculate what they can get away with next time.

But grave damage has already been done, not only to the victims and their town, but to the whole network of states and international institutions charged with trying to run the world rationally. More and more, people are wondering whether it is any use entrusting the United Nations, NATO, the European Union, the United States and Russia with the task of order.

Other delegates — among them an unprecedentedly large and forceful group of women — also had a lot to say. Women everywhere, they pointed out, need more than the ability to limit the size of their families: better health services, better education and, above all, equality and equity with men. Such goals may be elusive, especially in countries where women are still literally chattel. That they were part and parcel of the dialogue at the conference, however, signifies a new direction for population policies — and, perhaps, for the world.

— THE NEW YORK TIMES.

Last week, television news quite matter-of-factly displayed how easily they are to defy. After being kept waiting around Sarajevo airport for five days, a convoy of armored UN vehicles finally got permission from Bosnian Serbian leaders to proceed to beleaguered Gorazde with observers and medical personnel.

But about 20 miles (32 kilometers) from their goal, a couple of women were sent to block the road, an outrageously transparent excuse to break the leaders' word. The UN troops, bewildered, climbed down and stared helplessly at the little crowd. Their command ordered a U-turn, back to Sarajevo. The women blocked the retreat as

well. After long negotiation, to prove that the UN is at the mercy of the aggressors, they were allowed to give up and go away.

I was watching this cat-and-mouse game, the world organization and its powers playing mouse, with a visiting Russian couple. The man, really a gentle, kind, intelligent person, exploded in anger.

"This is what your Western liberal democracy leads to, this is the result of your foolishness," he said. "You take away fear and the whole world goes to pot. Nothing else can make it work. Bomb Belgrade, kill 50,000, and that would be the end of such nonsense."

His wife, a sprightly editor with one of those tragic Soviet family stories, disagreed. "We lived our whole lives with fear, so deep we didn't even know how totally we submitted until a few years ago," she said. "That's not the way, nothing good comes of it."

Of course, there are all kinds of fears — fear of humiliation, fear of looking ridiculous, fear of hurting someone, fear of being caught, dishonored and perhaps punished — and they do shape the way people behave. But this was about fear of brute force, impotent fear of being overwhelmed, fear of certain terrible pain as the prime mover of societies. Is that all there is to rely on?

Freedom, the rule of law, civic decency is about liberation from that kind of fear. We argued whether



er sustaining it didn't have to mean accepting dictatorship. The pained argument dividing Americans on the sentence of caning a juvenile vandal in Singapore is over whether an orderly, safe society justifies, indeed requires, discipline derived from a high level of that fear.

International society has no constituted police force or system of justice. The various organizations it has developed are an attempt to build some rules of state behavior based on widespread consent, recognition of mutual benefit in settling disputes without open conflict. That attempt is being undermined by events, especially in Bosnia, but also in Rwanda, Somalia and elsewhere.

This is what is at stake now as

leaders herald their first little steps — a European, Russian, American, UN contact group — to "coordinate" a policy on Yugoslavia. They have come near to losing what they call "credibility," a way of saying trust in their wisdom and their will to use human capacity for reason to beat back encroachments on the external human jungle.

There is a cost. The rule of law is not self-generating and it always requires enforcement. But if they cannot offer anything else, including joint resolve on military action, the nostalgia for total fear as the one effective means of keeping order will engulf all hopes.

© Flora Lewis.

## China: Some Grounds for Hope on the Post-Deng Transition

By David Shambaugh

BEIJING — Rumors are once again rife that the post-Deng Xiaoping era is near. China's patriarch is said to have slipped into a coma, possibly as a result of pancreatic cancer and successive strokes. Whether or not these recent reports are true — and his daughter denied them Thursday — Mr. Deng's last public appearance, in February, hardly inspired confidence. It revealed that he was neither in control of his faculties nor of the country.

The Chinese leadership is clearly nervous about what may happen next. One tangible sign is the presence of increased numbers of para-

stable society and economy with an unstable political leadership. The situation today is the opposite. When Mr. Deng goes, the leadership succession is likely to be smooth. There is little chance of midnight arrests and purges resulting from intense factional conflict among Politburo members, as occurred after Mao's death in 1976.

The Communist Party and military elite today are relatively united. This is the result of personnel changes engineered by Mr. Deng in 1992-93 that eliminated hard-liners and liberals from the civilian leadership and the Yang Shangkun-Yang Baise faction from the armed forces high command. Debate over policy exists, but broad factional cleavages are not evident.

Prime Minister Li Peng may be disliked at home and abroad, but he has built a strong power base in the State Council and provinces. His gradualist approach to economic growth has won him kudos and positioned him well to survive the succession. Qiao Shi, China's security czar and a heavyweight figure on the Politburo, is also well positioned for the future.

If the economy continues to overheat, Deputy Prime Minister Zhu Rongji will be held responsible. Mr. Zhu is respected for his no-nonsense approach and bold reforms. But his power base in the party and government is weak, making him vulnerable. Mr. Zhu's style and Maverick reforms have made him many enemies.

Jiang Zemin, who holds the office of state president and heads both the party and the army, will be the titular head of China in the post-Deng era. But his staying power is questionable. Mr. Jiang is generally viewed as a transitional leader similar to Mao's chosen suc-

cessor, Hua Guofeng. His ability to retain power will depend on his ties to the military.

However, Mr. Jiang cannot fill Mr. Deng's shoes, and China will lack an emperor figure once Mr. Deng is gone. If Mr. Zhu can survive and tackle the country's economic problems effectively, he could emerge as a strongman in time.

Nonetheless, the political leadership seems cohesive enough to survive the initial succession intact. Its main challenge will be to deal with a plethora of explosive socioeconomic issues. The potential for unrest in both the countryside and cities is high.

In rural areas, farmers have seen their incomes fall for three consecutive years. The state has paid them for their grain in IOUs, not cash. This provoked more than 200 rural riots across China last year. Government offices were attacked, partly because of the fall in farmers' incomes and partly because of unofficial levies they exact from the rural population. The government has tried to alleviate the problem by increasing payments, but the money is being invested by local cadres instead of reaching farmers. Millions in the countryside have no work.

The problems in the countryside have exacerbated large-scale migration within China. Official estimates suggest that 105 million rural residents are trying to enter urban centers in search of work. Unofficial estimates put the number as high as 150 million, of which perhaps 50 million already reside illegally in large cities. They create pressures on housing, food, water and social services that municipal governments cannot meet.

Urban areas are already hit hard by rapidly rising inflation, and it is getting worse. According to some estimates, prices have soared in

major cities by up to 50 percent in recent months. Inflation, especially for food, is no longer affecting only retirees and fixed-income earners, but all urban dwellers. There is much grumbling in China's cities today.

Rampant graft and rising crime add to the sense of instability. The government's anti-corruption campaign, though highly publicized, is having little effect. One reason is that the police and security services are deeply involved in the black-market economy and are frequently paid to look the other way.

Perhaps the most explosive problem facing the government, however, is in the state industrial sector. Half of China's 13,000 medium and large state factories are at a loss, while one-third operate near the margin. The subsidies required to keep these socialist behemoths afloat led to a quadrupling of the budget deficit last year.

The government wants to allow the worst cases to go bankrupt but cannot risk the high unemployment that would result. Workers in state factories are already being paid only part of their salaries in cash, and absenteeism is high. There are numerous reports of wildcat strikes and demonstrations in several regions.

The government is sitting on a tinderbox in the state industrial sector. The country's Communist leaders are well aware of the political potential of an aroused proletariat. Thus, as China faces the post-Deng future, the forces for instability and unrest are on the increase. It could be a long, hot summer for the Chinese leadership.

The writer is senior lecturer in Chinese politics at the School of Oriental and African Studies, University of London, and editor of *The China Quarterly*. He contributed this comment to the International Herald Tribune.

## Unification Is Korea's Real Challenge, and It's Not That Far Off

By Philip Bowring

SEOUL — Forget the nuclear issue for the moment. The most troubling thing about North Korea, as seen from here in the South, is how to manage unification. That may seem a distant dream to the two sides about insults. But it could, with little warning, become a current nightmare. The consensus is that it will happen in this decade. But the South's desire for unity is at odds with another burning national imperative: to catch up with Japan, the erstwhile colonizer, and the United States, the erstwhile savior from communism.

Unification is not talked about much. But it is a nagging concern in a country that otherwise has every reason to feel pleased and confident. South Korea has achieved a remarkably smooth transition to a civilianized democracy. Labor unrest is on the wane. The economy is back up to 7 percent growth, led by investment and exports stimulated by the over-strong yen. A very high proportion of Koreans are in the most productive age bracket: 20 to 45.

Self-confidence, the Uruguay

means increasing the clout of Korean companies, brand names and technology around the world.

Yet unification would likely turn the country on its heel. It might reveal more permanently to isolation.

The problems Germany has faced pale in comparison. West Germany had per capita income about three times that of the East; South Korea's per capita GNP is anywhere from 4 to 10 times that of the North.

Officials and think tanks in Seoul believe they have learned lessons from Germany. The main one is the need for a gradualist approach, starting with cross-border trade and investment, which will slowly begin to equalize incomes and infrastructure.

But it is unlikely the political forces at work can be so easily ordered. Two years ago there were high hopes for gradualism. Trade was beginning. Industrialists in the South were talking of moving labor-intensive industries like shoes and garments to the low-wage North, and

reviving the North's antiquated infrastructure. But the nuclear issue and Pyongyang's fears of the political consequences of any economic opening brought this to a halt. Time has been lost. Kim Il Sung is that much nearer the grave. Manufacturers have been mechanizing production, or moving it offshore, especially to China's nearby Shandong Province.

Traditional views of the relative economic strengths of North and South have had to be revised. The South's old light industries are now down to 20 percent of exports, having been largely replaced by steel, car, chemicals and capital goods. South Korea has broadened its markets, so that the United States accounts for only 21 percent, against 35 percent in the mid-1980s. While the South has become a major exporter of steel, the North, traditionally the home of heavy industry, has seen steel output stagnate. Its steel exports are now just one-fifth those in the South, produced from antiquated plants.

The North's only obvious resource is labor. It has one million men in uniform. Some 35 percent of its work force is still on the land, double the percentage in the South. Nonetheless, the North is deficient in food. While the South is only part way to becoming an industrialized society, the South is already well into the services

age: manufacturing's contribution to GNP is on the decline, and construction, as well as financial and leisure services, are rising steeply.

## OPINION

## Nixon's Message, Candidly Given

By William Safire

YORBA LINDA, California — "Guns are an abomination," said Richard Nixon in one of our long talks last year. He added, "You can use that now." Which I did in a column.

The "now" referred to an agreement between my old boss and me: Some of what he said was for immediate quotation, some for private instruction, and the rest to be made public at my discretion "someday" — by which he meant any time after the ceremony Wednesday at which he joined the silent Majority.

Much of his strategic thinking will be available next month in his last book, "Beyond Peace." But here is Mr. Nixon as one admires had a chance to see him, tossing off aphorisms with candor and purpose ("Bull sessions produce only what bulls produce").

On recent Russian leaders, preceding his last mission to Moscow, "Yeltsin is at his best in a crisis, just as Gorbachev was at his worst in a crisis. We stayed too long with Gorbachev; we mustn't stay too long with Yeltsin. We need to contact with the opposition, and Yeltsin won't like it."

Specifically about Boris Yeltsin: "He has bouts of depression, and takes medication for his back problem, like Woodrow Wilson. His close buddies are not very impressive. He feels the army didn't move quickly enough in the coup attempt against him." (Long pause.) "He'll trust only a few people, and will only those who support him 100 percent are his friends." (I said I knew somebody like that, and Mr. Nixon gave his short bark of a laugh.)

"I gave Clinton an evaluation of Yeltsin: not hard to read, straightforward, refreshing, charismatic. But lacks experience in free-market economics, let alone running a democratic republic."

On the Middle East: "I have great respect for Rubin, but I didn't want to go to the dog and pony show on the White House lawn. I told him later that it takes a strong man to make peace; he's able to do what he's doing because Arafat is weak, and far worse than Arafat is waiting in the wings. Paul Johnson has a line that statesmen must differentiate between different degrees of evil."

On Bosnia: "Assertive multilateralism is nonsense. De Gaulle said to Malraux: 'Parliaments can parody policy; they cannot make policy.' We need to get out of the arms embargo to get to a correlation of forces that can make peace. I'm more hawkish than Bush or Clinton on this. For now, say I'm more hawkish than Bush; I don't want to lose my effectiveness in foreign affairs."

On the foreign-policy Clinton (whose eulogy was unsmiting and eloquent):

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

rights, but it's economic freedom that spells doom for any closed society. MFN is a blunderbuss; we shouldn't use that."

On the Chinese leadership: "Jiang Zemin impresses Americans because he can recite parts of the Gettysburg Address in English; State overestimates him. Li Peng is ruthless, intelligent, wants to turn back the clock, and in a struggle after Deng's death, would have Jiang Zemin for lunch. Zhu Rongji is totally committed to economic reforms, and politically — as he demonstrated as mayor of Shanghai — as reasonable as can be, and still be a leader. I'd bet on Zhu; he's China's best hope."

His deep-background handicapping of the 1996 Republican field must await another day.

On China and most-favored-nation status: "What gets me is the old China hands who got all excited when I went to China, and who are now anti-China because there's no political freedom. Sure, our goal is for democratic government that protects human

*The New York Times*

## A Kinship of Survivors: 'We Both Just Gutted It Out'

By Roger Stone

YORBA LINDA, California — "So what did you think of him?" I asked Richard Nixon after his first meeting with Bill Clinton.

"You know," Mr. Nixon replied, "he came from dirt and I came from dirt."

"He lost a gubernatorial race and came back to win the presidency and I lost a gubernatorial race and came back to win the presidency."

"He overcame a scandal in his first campaign for national office and I overcame a scandal in my first national campaign. We both just gutted it out. He was an outsider from the South and I was an outsider from the West."

Thus the 37th president revealed the special kinship he felt with the 42d, despite their differences in party, philosophy and generation.

Mr. Nixon was so deeply committed to the cause of increasing U.S. aid for the republics of the former Soviet Union that he violated his own ironclad rule in dealing with successors: to give advice only when asked. He sent intermediaries to urge Mr. Clinton to meet with him on foreign policy.

Mr. Clinton is reported to have said "good idea" and asked for Mr. Nixon's phone number. But months went by with no call. Mr. Nixon suspected that Hillary Rodham Clinton was blocking him. More likely, the all-consuming confusion of a new presidency was to blame.

In any event, the call finally did come and a few days later, on March 8, 1993, the two men met in the White House family quarters for a long private talk about and to Russia. It was a moment Mr. Nixon had foreseen. In 1992 he heard that President George Bush's strategists were weighing inviting him to the Republican National Convention. Mr. Nixon reviewed his options with me.

"I could go to the convention and give a speech praising Bush," he said, "but that would be boring and the only thing worse in politics than being wrong is being boring. I could go to the convention and deliver a rip-snorting attack on Clinton. If I do that and Clinton is elected, it would be very hard for me to reach out to him on the situation in Russia."

## LETTERS TO THE EDITOR

## A President's Legacy

Not only the United States but the free world at large has lost one of the most outstanding and visionary statesmen of the post-World War II period. Long after the 37th president of the United States resigned over the Watergate affair, his candid perception and analysis of international politics made Richard Nixon look infinitely superior to those who impersonate superpower leadership today.

In some of his most recent pronouncements, Mr. Nixon reminded us that, despite the end of the Cold War, American leadership will be required in foreign affairs. One cannot help but think that with Richard Nixon in the White House (and Henry Kissinger at his side), we would not be witnessing the genocidal debacle in the Balkans.

KARL H. PAGAC, London.

This was an elected official who wove a web of underground operations designed to tighten his grip on power and compiled lists of those he feared might not approve. He subverted the forces of law and order to spy on his fellow citizens.

The life that has been lived out must be respected, but that respect cannot erase the ignominy. It might be true that this departed politician did much good. The gratitude expressed in Mr. Nixon's rehabilitation as an elder statesman these last 20 years is a tribute to the generosity of the American people. Let that tribute be enough.

PHILIP GREW, Milan.

Richard Nixon was the most important opponent of rapprochement with China and an easing of the Cold War with the Soviet Union; he reversed his course solely to further his political ambitions. For many reasons America needs symbols of integrity in public life. It is most unfortunate that plaudits for him now should downgrade its importance.

ALFRED E. DAVIDSON, Paris.

We owe much to President Nixon — a great American, a world historical figure and an outstanding statesman. We could all benefit from his vision, steadfastness and political courage to re-establish U.S. credibility and leadership now being frittered away.

G. F. KORTSCHAK, Cologny, Switzerland.

The writer, a public-affairs consultant, worked on the Nixon, Reagan and Bush presidential campaigns. He contributed this comment to *The New York Times*.

## BOOKS

## POLITICAL BUSINESS:

Corporate Involvement of Malaysian Political Parties  
By Edmund Terence Gomez. 329 pages. \$1 Australian dollars. James Cook University of North Queensland.

Reviewed by George Hicks

THIS is one of the best studies of the interaction of business and politics in any of the East and Southeast Asian economies. Almost everywhere in Asia business and politics are deeply entangled. The corrupting influence of money politics is probably best documented in the case of Japan, although in recent years China has produced the most spectacular examples, with even the People's Liberation Army appearing to put more effort into money-making than military matters.

Before the publication of Edmund Terence Gomez's book, the classic study of the Southeast Asian scene was Andrew Macintyre's "Business and Politics in Indonesia." In Indonesia, big business is mostly in the hands of the state or the Chinese. This is a very different from Malaysia, where Malay-controlled enterprises now share economic power with the Chinese.

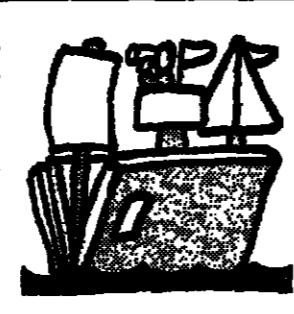
This is also a relatively recent development. At the time of the traumatic race riots in Malaysia in 1969 the majority Malays owned less than 2 percent of the share capital of limited companies with the rest being in Chinese and foreign hands. In response to the riots,

## WHAT THEY'RE READING

• Jayne Garcia Dos Santos, general manager of Chase Manhattan Bank in Tokyo, is reading "Os Lusíadas," by Luiz de Camões.

"It's an epic poem written in the 16th century about Portuguese navigators. It's a beautiful book, simply for the beauty and rhythm of its language."

(Andrea Forney, IHT)



word to describe an ugly process that was achieved by easy access to funds from government-owned banks and various market strategies available only to the politically powerful. As a result the "economy" is now dominated by "politicized oligopolies" if not outright monopolies. Broadcasting, newspapers, magazine publishing and television are already "well consolidated under the control of businessmen who keep strong ties with powerful political figures" — a free press is a receding memory.

Gomez defines "money politics" as "the use of money and material benefits in the pursuit of political influence." Its corollary is "political rents, that is economic gain derived through the use — or abuse — of political power." This is the essence of the system ruled over, and largely developed by, Mahathir. Although the Chinese and Indian political parties also entered the business arena it is the dominant Malay party presided over by Mahathir that has been the main beneficiary of the system. Through its control of the state, the party was able to give "business opportunities and award lucrative contracts to party-owned companies."

Gomez argues that in the long run this triumph of money politics is likely to prove profoundly destabilizing. It has led to ugly factionalism and power struggles, with a disruptive impact on legitimate business. Most dangerous is the fueling of ethnic tensions. With the communal parties developing their corporate holdings this will probably lead to ethnic conflicts over clashes of business interests.

Another unintended outcome of the NEP that indicates skewed wealth concentration is the emergence of the large conglomerate. "Conglomerization" is an ugly

word that describes a spade. The diamond King won, and the spades cashed the club ace. He followed with the spades ace, throwing dummy's remaining diamond, and took the king and ace of hearts. A heart was led from dummy, and again East did the best he could by discarding another spade.

South ruffed in his hand and ruffed a spade to reach this ending:

so he correctly discarded a spade.

The diamond King won, and the spades cashed the club ace. He followed with the spades ace, throwing dummy's remaining diamond, and took the king and ace of hearts.

A heart was led from dummy, and again East did the best he could by discarding another spade.

South ruffed in his hand and ruffed a spade to reach this ending:

NORTH

♦ K  
♦ A 10 4 3 2  
♦ A 18 4  
♦ Q 8 7 3

WEST (D)

♦ Q 18 7 5 4 3  
♦ J 9 8 6  
♦ J 10 4 2

SOUTH

♦ K 5  
♦ K 7 5 2  
♦ A K 6 5

EAST

♦ Q 2 6  
♦ 3 4  
♦ 6 4  
♦ 6 4

Pass



# LEISURE

## Details, Details: Traveler's Motto

By Roger Collis  
International Herald Tribune

**M**Y approach to business travel (or life in general, for that matter) is—never take anything for granted and to always expect the unexpected. The only way to beat Murphy's Law (anything that can go wrong will) is rigorous planning and attention to detail.

Small things make a big difference. In Brussels last week the hotel charged me more for three short phone calls, and two small

### The Frequent Traveler

Scotches and one orange juice in the piano bar (\$123) than I saved by cutting a deal on the room rate. Absurd, when I can buy a round-trip from London to San Francisco with Virgin for around \$448 (for maybe the cost of another round of drinks and a few more calls). That is the pain and paradox of travel: Value has nothing to do with how much you pay.

On the other hand, there are times when spending a little more can yield a great deal of extra comfort or benefit. With car rentals, for example, there is usually less price differential between the cheapest and medium groups than the most expensive. So you often get better value by trading up. At some airports a taxi direct to your hotel is far better than toting your bags on to the airport bus and then looking for a taxi to take you the last 20 blocks. It may not cost much more—except, of course, at remote airports.

Here are some small things that are worth paying attention to:

When you have to make a connection, choose a user-friendly hub—that means not having to walk a mile between gates or catch a bus to another terminal. Make sure you have enough time to make your connection. Get a plan of the airport to orient yourself prior to landing. Carry a pocket edition of the ABC or OAG flight guide so that you can

find another flight should you miss your connection.

When booking a long-haul flight, ask if there's a change of plane or carrier under a code-sharing arrangement. And be aware that a direct flight doesn't mean nonstop. Check that the airline will respect your seating (or dietary) requirements, especially if you have to change to a smaller plane.

Nothing can beat an airport lounge in alleviating terminal misery—especially if you have to hang around a long time. If you don't have the run of a business-class lounge, consider joining a business lounge club: American's Admirals Club; Delta's Crown Club and United's Red Carpet Club have annual dues of around \$200. The International Airline Passengers Association (IAPA) has a lounge program that costs \$60 a year to members, plus \$21 per visit to more than 80 lounges around the world. Expensive. But what price do you put on a port in a storm? Diners Club offers cardholders free use of 47 airport and business lounges.

Choose a hotel for location as well as price. It's worth paying a bit more to be closer to where you need to be. Nothing beats being able to walk to the office, restaurants and shops. Check whether breakfast is included in the room rate. If not, ask if it is a mandatory extra. Breakfast in a big hotel, especially continental breakfast, can be exorbitant. Unless you're hosting a power breakfast, you may find nearby cafés much cheaper and more congenial.

Beware of the minibar scam. The answer is to bring your own supplies and order ice from room service.

The hotel industry has been gouging travelers for years through outrageous phone charges—markups of 700 percent or more. An AT&T survey carried out with the British magazine Executive Travel found that the cost of a 10-minute call from European hotels to North America varied widely, according to how much the hotel surcharged. For

example, the Frankfurt Sheraton charged \$75.20; the London Savoy \$53.60; and the Paris Hilton \$42.50.

Some travelers may be able to use a portable cellular phone from their room to bypass the hotel switchboard. This will become easier with the new digital vest-pocket satellite phones known as Personal Communications Networks (PCNs) that enable you to make and receive calls nearly anywhere.

Meanwhile, the best strategy is use a telephone charge card. (Some hoteliers block toll-free calls made to your card number. Others make an access charge of around \$2.50 every time you use a card. It is always worth checking beforehand.)

**W**HEN buying a consolidator ticket, check whether you can upgrade with your frequent flier credits. If it's a net-free ticket (with no fare indicated in the fare box) you probably won't earn frequent-flier miles, or be able to use them to upgrade. Tickets discounted to consolidators with an override commission will typically show a published fare in the fare box regardless of how much you pay. Many of these tickets can be upgraded. The only way to be sure is to ask your agent.

Car rental firms don't always make it easy. Nothing is more infuriating than to find the price has just about doubled when all the extras are added up. So make sure you compare like for like when you shop around. Collision damage waiver, which can run close to \$20 a day, and theft insurance as high as \$15 a day is pitched to increase rental companies' profits. Check for such charges when you arrange a rental. You may be able to avoid paying them by relying on collision protection on your charge card. Get written confirmation from your agent that you won't have to buy CDW—and the amount of any hold on your card. And remember, you save up to 60 percent on the walk-up rate by booking in one country for rental in another.

Nothing beats being able to walk to the office, restaurants and shops. Check whether breakfast is included in the room rate. If not, ask if it is a mandatory extra. Breakfast in a big hotel, especially continental breakfast, can be exorbitant. Unless you're hosting a power breakfast, you may find nearby cafés much cheaper and more congenial.

Car rental firms don't always make it easy.

Some highlights of European and American music and arts festivals:

### AUSTRIA

**S**alzburg Festival, tel: (662) 80-40-25 to 30; in the courtyard of the archbishop's palace, Mozart's "The Magic Flute," as well as performances of Haydn's "The Seasons."

Salzburg Festival, tel: 20-36-71-55. May 15 to July 2: Recitals by Ingrid Boulting and Marielle Labèque, choral music, chamber music and a performance of Rossini's "Barbiere di Siviglia."

### BRITAIN

**A**ldeburgh Festival, tel: (728) 452-935. June 10 to 26. Opens with Stravinsky's "The Flood" and continues with Britten's "Noye's Fludde." Also includes two world premieres of choreographies by Richard Alston.

**E**dinburgh International Festival, tel: (31) 226-4001. Aug. 14 to Sept. 3. Opera companies include The Almeida Opera, Opera North and the Scottish Opera; and dance programs are performed by the Merce Cunningham and Mark Morris companies.

### GERMANY

**B**ayreuth Festival, tel: (921) 20-21. July 25 to Aug. 28. James Levine conducts the complete "Ring des Nibelungen" in Alfred Kirchner's production. Giuseppe Sinopoli conducts "Parsifal." Daniel Barenboim "Tristan und Isolde" and Peter Schneider "Der Fliegende Holländer."

**E**rlangen Festival, tel: (919) 627-6566. June 1 to 30; Nine operas from Monteverdi's "Orfeo" to Max Brand's "Maschinen Hopkins" and recent works by Chinese composers.

### NETHERLANDS

**A**msterdam Holland Festival, tel: (20) 627-6566. June 1 to 30; Nine operas from Monteverdi's "Orfeo" to Max Brand's "Maschinen Hopkins" and recent works by Chinese composers.

### NORWAY

**B**ergen Bergen International Festival, tel: (5) 218-100. May 25 to June 6. Opera and ballet performances include Dario Fo's production of Rossini's "Barbiere di Siviglia," orchestral and choral concerts.

### PORTUGAL

**E**storil 20th Costa do Estoril Music Festival, tel: (1) 468-5607. July 7 to Aug. 20. The Festival welcomes the Lithuanian State Symphony Orchestra, under Gintaras Rinkевичius, and several Strauss, Verdi and Mozart operas, as well as ballet performances.

### FINLAND

**H**elsinki Helsinki Festival, tel: 659-698. Aug. 25 to Sept. 11. Includes performances by the Los Angeles Philharmonic under Esa-Pekka Salonen and the London Sinfonietta under Elgar Howarth; Jordi Savall is a guest soloist.

### GREECE

**A**thens Athens Festival, tel: 323-0049. June to September: In the Odeon of Herod Atticus, orchestral concerts under Riccardo Muti and Riccardo Chailly, opera performances and ancient

Greek drama by Greek and foreign companies.

### ITALY

**R**avenna Ravenna Festival, tel: (544) 213-895. June 16 to July 23; In different venues, concerts by the Vienna Philharmonic under Seiji Ozawa, the Orchestra Filarmonica della Scala under Wolfgang Sawallisch.

**S**weden Drottningholm Court Theater, tel: (8) 680-82-25. May 26 to Sept. 10; A new production of "Youth and Age," with Sven-Bertil Karlsson, Edward Dupuy, Haydn's "Orlando Paladino," and an evening of Handel's arias and duets.

### SWEDEN

**D**rottningholm Drottningholm Court Theater, tel: (8) 680-82-25. May 26 to Sept. 10; A new production of "Youth and Age," with Sven-Bertil Karlsson, Edward Dupuy, Haydn's "Orlando Paladino," and an evening of Handel's arias and duets.

### SWITZERLAND

**A**msterdam Amsterdam Holland Festival, tel: (20) 627-6566. June 1 to 30; Nine operas from Monteverdi's "Orfeo" to Max Brand's "Maschinen Hopkins" and recent works by Chinese composers.

### TURKEY

**I**stanbul 22nd International Istanbul Music Festival, tel: 212-258-3212. June 15 to July 4: The roster of guest soloists includes Narciso Yepes, James Galway, Julian Lloyd Webber, and Victoria de Los Angeles.

### UNITED STATES

**T**anglewood, Mass. Tanglewood Music Center, tel: (417) 268-14-92. July 7 to Aug. 24, premiere

### SPAIN

**S**antander Santander International Festival, tel: (42) 314-819. Aug. 1 to 31; Or-

## SUMMER IN FRANCE

### PARIS HOTELS

**HOTEL Relais Christine**  
3, rue Christine - 75006 PARIS  
Tel: 0033/1/43.26.71.80  
Fax: 0033/1/43.26.89.33

**HOTEL Pavillon de la Reine**  
28, place des Vosges - 75006 PARIS  
Tel: 0033/1/42.77.96.40  
Fax: 0033/1/42.77.83.06

**HOTEL DE L'ABBAYE**  
Saint-Germain  
10, rue Cézanne  
Tel: (1) 45.44.38.11  
Cable: Abotel  
Fax: (1) 45.48.07.88

**HOTEL DE NOAILLES**  
9, rue de la Michodière,  
75002 Paris  
Tel: (1) 47.42.92.90  
Fax: (1) 49.22.71.71

**HOTEL UNION HOTEL ETOILE**  
44, rue Hamelin,  
75016 Paris  
Tel: (1) 45.33.14.95  
Fax: (1) 47.55.94.77

**HOTEL HOTEL CAMBON**  
3, rue Cambon, 75001 PARIS  
Tel: (1) 42.60.58.09  
Fax: (1) 42.60.58.59

Charming 4-star hotel renovated in 1993, just off the Tuilleries Gardens, Concorde, the Louvre, the Musée d'Orsay.

Rooms from FF 1480

Rooms from FF 14

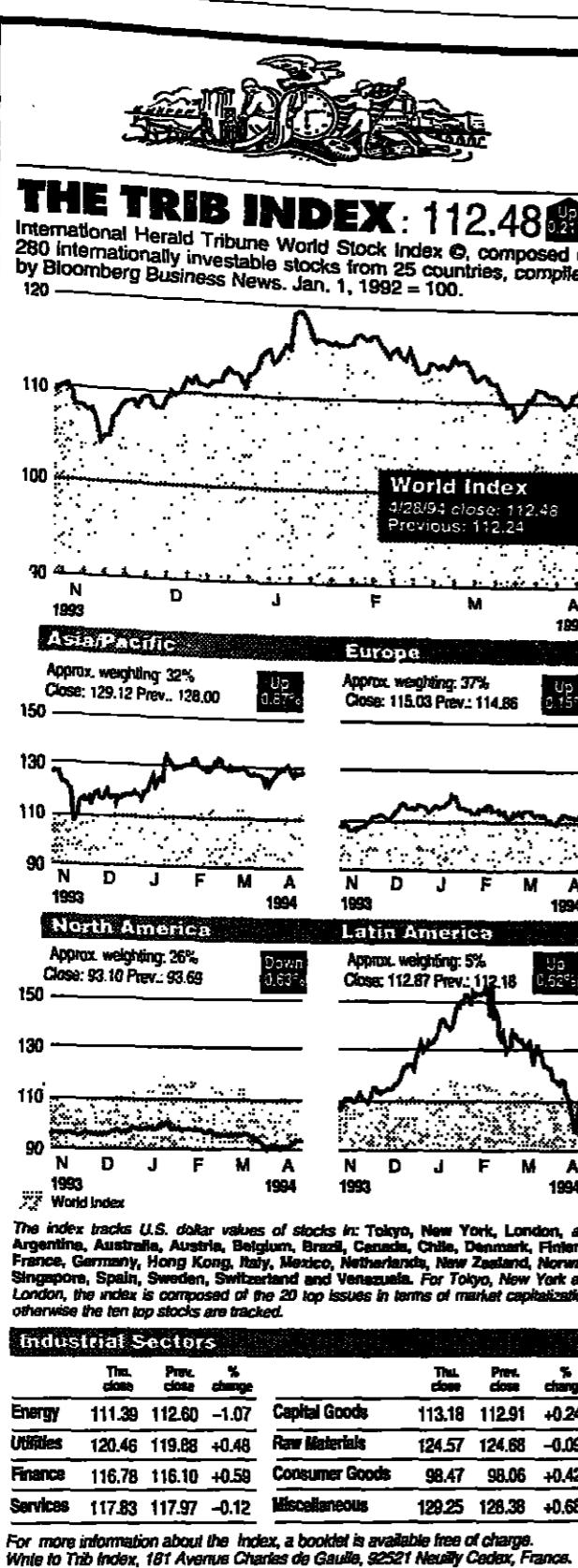
# NYSE

**Thursday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

ONATIONAL  
**Tribune.**  
and The Washington Post  
**THE U.S.?**  
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The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentine, Australia, Austria, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization; otherwise the top 10 stocks are tracked.

Industrial Sectors		
Ths. close	Prev. close	% change
Energy 111.39	112.60	-1.07
Utilities 120.46	119.88	+0.48
Finance 116.78	116.10	+0.59
Services 117.83	117.97	-0.12

For more information about the Index, a booklet is available free of charge. Write to TRIB Index, 187 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

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## WALL STREET WATCH

### Kemper Argues Its Value

By Mitchell Martin

International Herald Tribune

PARIS — David B. Mathis, chairman of Kemper Corp., is fighting a battle against conventional wisdom on Wall Street. He said Thursday that analysts are not sufficiently optimistic about his financial conglomerate's earnings prospects, and that their projections are too low.

Their caution might cost him his job. On Thursday, he won a small victory in his battle to ward off General Electric Co.'s takeover attempt when Kemper reported earnings that were higher than analysts' average estimates.

Additionally, Kemper Corp. said Thursday that its major shareholders support the board's decision to reject the \$2.3 billion offer from GE Capital Corp., GE's finance arm. Mr. Mathis, in a letter to Gary Wendt, GE Capital's chief executive, rejected GE's offer for the third time.

But if Kemper is taken over, Mr. Mathis will have been a victim of his own success. He was promoted to chairman two years ago, and since then the company has recovered from a disastrous period that largely reflected problem real estate and an unruly mass of subsidiaries. Kemper had taken equity positions in commercial properties to which it also was a lender and was heavily exposed to weakness in the California and Midwest real estate markets.

Kemper's stock was hit in February 1992 by the company's decision to post a \$135 million reserve for its real estate holdings and its announcement that \$234 million of the properties were impaired. Its shares fell from a January price of more than \$46 to \$20.75 by late August of that year. Since then, however, the stock has risen as a slew of restructuring efforts came into force.

Mr. Mathis merged the suburban Chicago company's five brokerage subsidiaries into one, integrat-

ed the two life insurance units, and reduced the stake held in Kemper by Lumberman's Mutual Casualty Co. to about 4 percent from nearly 40 percent. The last step amounted to a huge stock buyback, Mr. Mathis noted, as well as making Kemper vulnerable to a takeover bid.

The company's stock recovered to the \$40 range by March of this year, when General Electric bid \$55 a share, or \$2.1 billion, and said it might raise that offer if Kemper opened its books for inspection, particularly regarding the real estate holdings. Kemper's board unanimously rejected that offer, saying the price was too low, and GE has turned to a proxy battle to replace four directors at the May 11 annual meeting. New directors could vote to reconsider the bid.

Mr. Mathis, in Europe this week to talk to the institutional shareholders that make up much of Kemper's 12 percent of overseas ownership, said the restructuring would raise earnings to levels above Wall Street expectations.

Banco Santander, the largest foreign stockholder, has said it would vote its 2.5 percent stake against GE. Mr. Mathis said Santander was by far the largest overseas owner, and that many of the others were European institutions with far smaller stakes.

On Thursday, Kemper's income from continuing operations other than investments in the first quarter was reported at \$35.4 million, or 87 cents a share, a sizable premium to the 80 cents that analysts had been expecting. Altogether, continuing operations earned \$36.6 million, or \$1.43 a share. That compares with a loss from continuing operations of \$3 million a year earlier, before a financial charge.

The continuing operations figure without investments is important because it strips out securities

See KEMPER, Page 12

## CURRENCY & INTEREST RATES

### Cross Rates

	\$	£	D.M.	F.F.	Liros	D.F.	S.F.	Yen	Cr.	Peru	U.S.	1,000	1,000	1,000	1,000
Amsterdam	1.05	2.055	1,728	0.574	1,000	0.549	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Brussels	1.051	2.075	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Frankfurt	1.052	2.075	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
London	1.052	2.075	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Madrid	1.052	2.075	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Milan	1.052	2.157	1,974	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
New York (a)	1.052	2.055	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Paris	1.052	2.055	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Paris	1.052	2.055	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Toronto	1.052	2.055	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Zurich	1.052	2.145	1,974	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1 ECU	1.054	2.055	1,805	0.589	1,000	0.564	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1 SDR	1.051	2.051	1,801	0.585	1,000	0.561	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Currencies in Amsterdam, Paris and Zurich, <i>Exclusively in other centers: Toronto</i>															
or: To buy one pound: a: To buy one dollar: b: Units of 100: N.G.: not quoted: N.A.: not available															

### Other Dollar Values

Country	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Argentina	0.9701	Greek drach.	245.50	Hong Kong \$	7.750	India, rupee	1.2445	Indonesia, rupiah	5.2576	Iran, rial	807.10	Malta, lira	0.5625	Malta, lira	0.5625
Austral. \$	1.021	Hong Kong \$	7.750	Malta, lira	0.5625										
Austrian schill.	11.76	Hong Kong \$	7.750	Malta, lira	0.5625										
Brazil, cruze.	179.07	Indonesia, rupiah	210.99	Polish zloty	224.52	Port. escudo	17.17								
Chinese ren.	24.45	Indonesia, rupiah	210.99	Portuguese, escudo	17.17										
Egypt, pound	4.565	Irish £	0.6845	Rupee, rupee	120.00	Swiss franc	1.2781								
Egypt, pound	3.382	Kuwaiti dinar	0.2978	Rupee, rupee	120.00	UAE Dirham	1.0700								
F. m. markta	5.407	Malays. ring.	2.6705	Sing. \$	1.5542										

### Forward Rates

Country	30-day	
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# Enterprise's Bid Values LASMO at £1.45 Billion

Agence France-Presse

LONDON — Enterprise Oil PLC on Thursday launched a hostile £1.45 billion (\$2.14 billion) takeover bid for its main British rival, LASMO PLC.

LASMO advised shareholders to reject Enterprise Oil's all-securities bid. "LASMO has taken major steps over the past year to strengthen its business and it is now well placed to benefit from these actions," the company said.

The takeover, if consummated, would create the world's largest independent oil exploration company. But industry sources said the chances of Enterprise's initial bid succeeding were slim, as other bidders were likely to come in with a cash offer to top Enterprise's paper offer. Analysts predicted that the

bidding for LASMO would eventually top £2.5 billion.

Enterprise offered 27 of its class A shares and 12 warrants for each 80 common shares in LASMO, valuing each LASMO share at 150 pence.

LASMO shares dropped 5 pence to 158 pence on Thursday, while Enterprise was down by 20 to 425 pence.

Other potential bidders were rumored to be Elf Aquitaine, British Gas PLC, Atlantic Richfield Co. and PowerGen, the British electricity generating company.

Elf has a 14 percent stake in Enterprise Oil, via Elf Enterprise, their joint exploration company in the North Sea.

Enterprise said in announcing its bid that a combination with LASMO would "create a world-

class exploration and production business with reserves in excess of 1,600 million barrels of oil equivalent and with interests in 26 countries."

LASMO shareholders have seen the value of their holdings fall significantly because LASMO had lost more than £500 million during the last two years, Enterprise said.

LASMO, formerly London & Scottish Marine Oil, improved its results last year but still reported a net loss of £131 million on revenue that rose 9 percent, to £578 million.

On April 13, it launched an operation to raise new capital of £219 million to finance investment and strengthen its balance sheet.

Enterprise Oil increased net profit by 9 percent, to £94.7 million, in 1993 despite weakness in oil prices.

"While the increase in earnings is favorable, we can't forget the low comparative base," Mr. Strube said. "In absolute terms, earnings are still far from satisfactory."

The extent of the rise nevertheless took the market by surprise and the company's share price rose 3.20 DM to 337.90 DM on Thursday. Analysts had widely expected a pretax profit figure from 280 million DM to 320 million DM.

Mr. Strube said that the company would also be able to increase its profit for the full year. But did not make a dividend

## Revenue Abroad Powers BASF to 47% Profit Gain

Compiled by Our Staff From Dispatches

LUDWIGSHAFEN, Germany — BASF AG on Thursday became the third of Germany's three major chemicals companies to report a sharp rise in profit in the first quarter, underscoring the sector's upturn in Europe and worldwide.

Boosted by foreign sales, pretax profit surged 47 percent to 349 million Deutsche marks (\$208.4 million), from the corresponding period a year earlier.

The move was expected after the Bundesbank on Wednesday allowed its securities repurchase rate to fall. French monetary policy often tracks that of Germany, and the Bundesbank allowed the repurchase rate to slip to 5.47 percent.

The Bundesbank refrained from making any other interest rate adjustments at its biweekly council meeting Thursday. The German discount rate, which is essentially the floor of the money market, remains at 5.0 percent and the Lombard rate, which is the ceiling, at 6.50 percent, the levels set on April 15. Both rates are charged on collateralized borrowings by banks.

Economists said another cut in the French intervention rate, by about the same amount, was probable soon — possibly as early as next week.

■ German Inflation Rises

Provisional government statistics show that consumer inflation in Western Germany edged up to 0.3 percent in April from 0.2 percent in March. Bloomberg Business News reported from Wiesbaden.

Fast-rising prices for seasonal foods and continued high fuel prices contributed to the increase.

## Rates Slip As France Adjusts

Compiled by Our Staff From Dispatches

PARIS — The Bank of France lowered its intervention rate Thursday to 5.70 percent from 5.80 percent, marking its fifth cut since the start of the year in the rate that sets the floor for money market rates.

The move was expected after the Bundesbank on Wednesday allowed its securities repurchase rate to fall. French monetary policy often tracks that of Germany, and the Bundesbank allowed the repurchase rate to slip to 5.47 percent.

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## Investor's Europe

Frankfurt	London	Paris
DAX	FSE 100 Index	CAC 40
220	200	200
210	190	190
200	180	180
190	170	170
180	160	160
170	150	150
160	140	140
150	130	130
140	120	120
130	110	110
120	100	100
110	90	90
100	80	80
90	70	70
80	60	60
70	50	50
60	40	40
50	30	30
40	20	20
30	10	10
20	0	0

Source: Reuters, AFP

International Herald Tribune

## Air France Delays Meridien Sale

Compiled by Our Staff From Dispatches

PARIS — Air France said Thursday it would seek government advice before deciding on whether to sell its stake in the Meridien luxury hotel chain to Accor SA of France or Forte PLC of Britain.

Air France did knock a third bidder out of the running, saying that Lufthansa AG's Kempinski hotel chain would not get the prize.

Air France has bid 1.8 billion French francs (\$313 million) for Accor's 57 percent stake in Meridien, while Accor has bid 1.6 billion francs for a 40 percent stake. Accor executives said their offer, although less, would benefit Air France more because a

close working relationship between Accor and Air France could develop.

Accor, France's largest hotel chain, and Air France, the national airline, already have strong business links, and Accor executives have said an alliance between Accor and Meridien could contribute net profit of up to 200 million francs a year to Air France.

Air France is selling Meridien in its effort to reduce its 57 billion franc debt. The airline, which Thursday reported its 1993 net loss more than doubled, to 8.48 billion francs, has asked for 20 billion francs of funding from the French government.

(Bloomberg, Reuters)

## SCHNEIDER: When the Music Stopped, the German Real Estate Magnate Couldn't Face the Consequences

Continued from Page 11

side advisers now suspected to have been bribed for just that purpose.

In one case, Deutsche Bank has alleged he submitted fake rental contracts in an application for a 415 million DM loan to finance an American-style shopping mall in downtown Frankfurt. According to the bank, Mr. Schneider not only exaggerated the expected income from the mall's future tenants, but he lied about the amount of rental space available, claiming it totaled 20,000 square meters (215,000 square feet) when it was actually only 9,000 square meters. What remains unclear is how Deutsche Bank could fail to have verified something as basic as the size of the property it was lending on.

"All his financial engineering

was financed by the banks," an executive of Mr. Schneider's company said. "And he made politicians and important people dependent upon him by restoring landmark buildings and projecting himself as a generous philanthropist."

Mr. Schneider also cashed in on government loan subsidies for development in East Germany, especially in Leipzig, where he acquired many properties after German unification in 1990.

East or West, to keep the banks believing in him, even after Germany's recession began, Mr. Schneider also appears to have kept secret certain aspects of contracts he had with many of his commercial tenants. These provisions allowed tenants to pay him reduced rent if business was slow. As busi-

ness declined, so did Mr. Schneider's income, explained Georg Looks, managing director of an electronics outlet in Frankfurt's Zeilgalerie mall, which opened two years ago.

"In addition to our standard contract, they gave us an additional agreement that allowed the percentage of rent to turnover to fall from 5 to 3 percent if business was slow," Mr. Looks said. Apparently neither the auditors employed by the banks to gauge their credit risk nor the banks themselves ever asked whether there were any supplementary contracts.

Mr. Schneider also kept close personal control of his property holdings, despite the fact that they were officially worth 5 billion DM. With only one exception, in 1992, he was unwilling to sell any property if business was slow. As busi-

ness declined, so did Mr. Schneider's income, explained Georg Looks, managing director of an electronics outlet in Frankfurt's Zeilgalerie mall, which opened two years ago.

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It was only in February of this year that Mr. Schneider began to face a string of increasingly serious financial and image problems that he was loath to confide in the prices he paid for properties.

Mathias Düslerick, a real estate adviser who is now trying to place a value on the assets of the bankrupt

Dr. Jürgen Schneider AG company, complained that in all the years he had worked for the secretive Mr. Schneider he "never told us how much he paid for a property."

Mr. Schneider and his wife were the only authorized signatories for the entire property division, which employed more than 2,000 people and was run by a staff of 40 at the castle in Königstein. The two kept to themselves, shunning the opera, art galleries, and the Frankfurt social scene.

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# Jobless Rate Hit 2.6% in Japan Last Fiscal Year

Reuters

TOKYO — Unemployment in Japan reached its highest average rate in six years in the fiscal year ending March 31, the Management and Coordination Agency said on Thursday.

The seasonally adjusted average jobless rate for the 12 months of fiscal 1993-94 was 2.6 percent, up from 2.2 percent the year before.

The 2.6 percent figure was the highest since the 1987-88 year, when the 12-month rate was 2.8 percent, the agency said.

The ratio of job offers to job seekers fell to 71 in 1993-94, showing there were 71 jobs for every 100 people seeking employment.

Japan's companies, hit by economic slump, have been forced to cut costs by slashing the number of new hires and lopping overtime hours, analysts said.

With companies still under pressure to restructure, the labor market outlook should remain shaky. But the risk of such companies taking more drastic cost-cutting steps, including major layoffs, may be abating, the analysts added.

"You cannot say that the worst is

over. There are a lot of uncertain factors," said Toshiaki Masui, a Toho Bank economist.

In March, the jobless rate was unchanged from February, when the rate rose to 2.9 percent, the highest since June 1987. The job-to-applicants ratio was up to 66 in March from 65 in February.

Industrial output might slip in April after a few recent rises, Mr. Masui said. Fears remain over the high yen as well as Japan's political confusion, which has led to an unusual delay in enacting a growth-oriented budget for this year.

"We still need to carefully watch overall unemployment conditions," a Labor Ministry official said. He said the unemployment rate is a lagging indicator, and it normally takes between six months and a year for the data to reflect real economic activity.

But prospects for the job-to-applicants ratio are brighter, he said, as this is more immediately sensitive to economic trends.

Average overall employment in 1993-94 rose by 170,000 people, or 0.3 percent, to 64.54 million.

## Pinning Down the Pirates

### U.S. Must Decide When to Target China

By Peter Behr and Daniel Williams

Washington Post Service

WASHINGTON — U.S. government officials have concluded that China should be punished for pirating American recordings and computer software, but some want the action delayed until after a slowdown over human rights in June, according to government and industry officials.

The debate over China's human rights

is timing is critical because Mr. Clinton has given China until June 3 to improve its human rights record in specific areas or lose its most-favored-nation trade status, which affords China the lowest possible tariffs available.

Loss of that status would trigger a U.S.-Chinese trade war, many economists predict.

Some U.S. officials say China's leaders are close to satisfying Mr. Clinton's requirements and should not be provoked. Others argue that putting off the piracy designation would show a lack of backbone, encouraging China to take no further action on the human rights issue.

"The strategic call is hard to make," said Emory Simon, executive director of the Business Software Alliance, representing computer software manufacturers. But he and other industry officials insist the case against China is clear-cut.

According to the U.S. trade representative's office, as many as 24,000 compact-disk and laser-disc factories are operating in central and south China, turning out 50 million pirate copies of recordings and films, computer games and other material each year, mostly for sale in Asia.

"China has become the world's leading CD pirate," said Eric H. Smith, executive director of the International Intellectual Property Alliance, which represents the entertainment and computer industries. "Unless it is stopped, it will grow by geometric proportions. It's like printing money."

"There is stealing going on — it is open, blatant," said Jack Valenti, chairman of the Motion Picture Association of America. "Do you decide you don't want to aggravate the people doing it?"

## Inflation Recedes In China

Reuters

BEIJING — The Chinese inflation had peaked in February and prices of consumer and industrial goods were coming down.

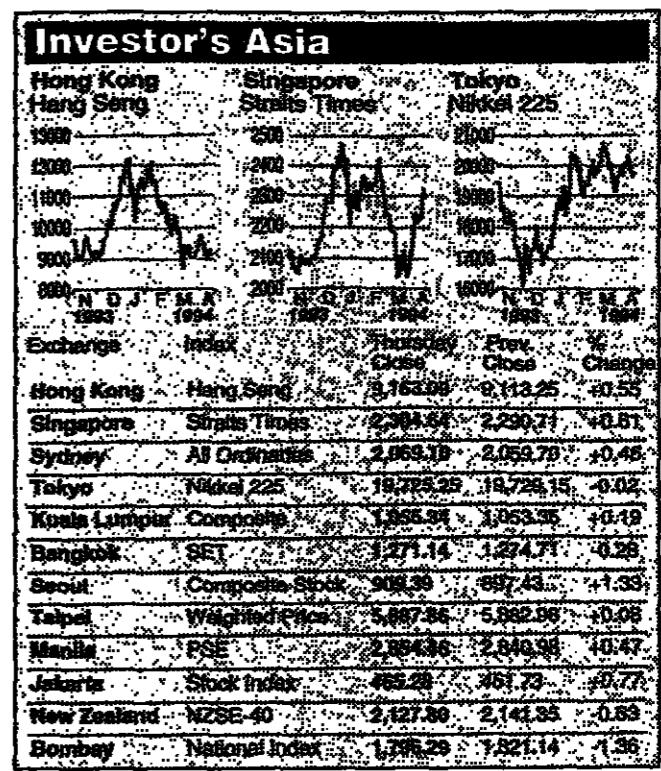
"We have achieved initial success in curbing price rises, thanks to improved market control at the central and local level," Ye Zhen, spokesman of the State Statistical Bureau, was quoted as saying.

Bureau statistics showed retail price inflation in China's 35 major cities was a yearly 24.5 percent in March, down from 25.9 percent in February. Mr. Ye said rural inflation also fell, by 0.1 percentage point from 20.9 percent in February.

Inflation peaked in February at 32.3 percent nationwide and 25.9 percent in the 35 major cities.

A forecast by the China Materials Information Center, in Thursday's China Business Daily, was also optimistic.

"There is a balance in supply and demand of most goods and consumers' psychology has calmed and hoarding and speculation reduced," it said.



Sources: Reuters, AFP

International Herald Tribune

### Very briefly:

• Hong Kong's visible trade deficit rose 37.6 percent in the first quarter from the comparable year-ago period, reaching 13.9 billion Hong Kong dollars (\$2 billion).

• China saw foreign investment in the first quarter of the year reach \$5.4 billion, up from \$3 billion in the 1993 quarter, but that was only a fourth of the funds foreign investors pledged to put forth.

• Allied Group Ltd., the industrial and trading company, earned a net 187.8 million Hong Kong dollars in 1993, reversing from a loss of 28.4 million in 1992 because of gains in its Allied Properties division.

• China Eastern Airlines is interested in buying a stake in Australia Air International, a developing airline that is scheduled to make its first flights in June.

• Formosa Plastics Corp. will borrow 143.4 billion Taiwan dollars (\$5 billion) from a state-run bank to finance a 228 billion dollar petrochemical complex.

• Nikkei Corp. posted a net loss of 3 billion yen (\$29 million) in the year ended March 31 because of weak consumer spending and a strong yen. The loss was 1 billion yen more than the company had forecast.

• Australia will enjoy sustained economic growth through 1994, according to the Westpac Melbourne Institute's leading index of economic activity, which rose 1.3 percent in February.

• Sony Music Entertainment Japan Inc. said its chairman, Toshio Ozawa, will retire on May 16 but will become the chief of Sony Pictures Entertainment Japan Inc.

Bloomberg, AFP, AP

## Taiwan Licenses Broker

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan's first commodities brokerage opened Thursday, ending a 45-year ban and ushering in a new era in the island's commodities trade, which has been practiced underground for years.

Grand Cathay Futures Corp. is the first of 14 local and nine foreign futures companies expected to open here in the next several weeks. The local companies will place their orders through the foreign companies,

who will place the trade on the appropriate overseas exchange.

The futures industry was legal in Taiwan in 1992 after thriving underground for years.

Local investors are now allowed by Taiwan's Securities and Exchange Commission to buy and sell futures contracts traded on 11 overseas exchanges.

Grand Cathay struck its first business deal by placing an order through First Options of Chicago Inc., which also opened a Taipei branch Thursday.

Bloomberg, AFP

Bloomberg Business News

BEIJING — Five Chinese state companies are set to be listed on the New York Stock Exchange after Chinese and U.S. securities regulators signed a cooperation pact on Thursday.

The pact, which has been under discussion for more than a year, is meant to protect investors' trading shares in the first Chinese state enterprises to list in the United States.

"I think this agreement will begin the process of establishing in the minds of U.S. investors that this Chinese market is going to be well regulated," said Arthur Levitt, chairman of the U.S. Securities and Exchange Commission.

Mr. Levitt said the SEC agreed to train Chinese regulators, advise on drafting laws and

provide technical assistance. In return, China will consult regularly on matters involving investor protection and will provide full information in fraud or malpractice cases.

The five companies' officials are working night and day so they can list early," said Liu Hongru, chairman of the China Securities Regulatory Commission. He said the listings would come after June.

The companies are China Eastern Airlines, China Southern Airlines, Shandong Huangeng Electricity, Huanghai International Power Development and Tianjin Steel Pipe Factory. Mr. Liu said the first four were in the final stages of preparation.

Currently seven Chinese companies are trad-

ing well above their issue prices on the Hong Kong stock market, while a second batch of 22 companies was chosen to list on overseas stock markets in January. In the last week, six of the Hong Kong-listed Chinese companies have announced earnings well above forecasts.

Most of the new batch will be listed in Hong Kong, which signed a memorandum with Beijing last June, said Mr. Liu. But Singapore, London, Canada and Australia are also lobbying for the business.

New York faces tough competition from such exchanges, many of which have weaker regulations. "We will try to make the path for these companies as smooth as possible," said Mr. Levitt.

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## INTERNATIONAL

## THE SECRET OF SUCCESS: TAILOR THE PRODUCT TO LOCAL NEEDS

**F**aced with pent-up demand for goods and services in the developing world and the newly hatched free-market economies of East Asia and Eastern Europe, franchisers are rushing into those markets. Increasingly, franchisers look at their international operations as equal to, if not more important than, their domestic ones.

"Franchisers in general are expanding to other

countries earlier in their development," says Bob Jones, vice president for international affairs for the International Franchise Association. "It's being included in their strategic plan up front."

"Every day, it's a smaller world," adds Tom Portes, director of the International Franchise Expo, which is being held in Washington by the Blenheim Group.

Franchisers are aware that each market presents a unique situation. For example,

a U.S. fast-food franchiser lost money on breakfast in Brazil, where people seldom leave their homes early.

Sylvan Learning Centers, a tutoring chain, has tailored its franchises to local needs. Faced in most countries with only an informal tutoring industry, Sylvan screens and hires teachers and plans a curriculum suitable for each market. Sylvan also offers an exclusive contract to deliver computerized versions of standard tests, such as the Graduate Record Exam, to the many non-U.S. applicants wishing to gain admission to American schools.

The global nature of fran-

chising has not challenged U.S. domination as a franchise exporter, but the internationalization of the industry has accelerated the importing of franchises to the U.S. The British-based Body Shop has ventured into the United States, as well as into other markets.

Philip Zeidman, a Washington lawyer who is general counsel to the International Franchise Association, points out that several major U.S. franchises are in fact owned by foreigners, including Burger King, owned by Britain's Grand Metropolitan; the Southland Corp., which runs the ubiquitous 7-11 convenience stores, owned by a former

master Japanese licensee; Shakey's Pizza, owned by a Far Eastern company; Holiday Inn, owned by Bass Ale; and Hardee's Hamburgers, owned by a Canadian company that is owned, in turn, by a British company.

East European markets, still acclimating themselves to private capital, have already seen the arrival of franchises with pockets deep enough for long-term investment. The Moscow McDonald's has seen long lines but large losses, since the company had to establish its supply lines from the ground up — for everything from meat to potatoes. But the establishment of such an

infrastructure will allow the fast-food chain to turn a profit with the opening of more units.

Alphagraphics, a U.S.-based print shop, has stores in 16 countries, including three in China. But its Moscow shop, opened in 1989 (and the first privately owned public printing facility in Russia since the revolution), is one of its most profitable locations.

Eastern Europe is becoming a prime market for master licensees. "There is a fair amount of mistress money," Mr. Zeidman says. "It was kept together because there was nothing to invest in." Many franchises are purchased by syndicates, often

extended local families pooling money or families with relatives returning from the West with capital.

Although fast food remains the engine driving franchises in developing markets, the demand for other goods and services is enticing other industries, including tourism (travel agencies, hotels, car-rental agencies, etc.) and business services (copying, faxing, business cards, personnel, temporary help, etc.).

Steamatic, a 48-year-old U.S.-based company, provides residential, commercial and industrial cleaning services. It was the first franchise service company to open in China.



Another marketplace where pent-up demand for goods and services has created new opportunities for franchisers is Latin America. Brazil, the largest market in the region, had only 450 franchise companies in 1992, but sales increased 36 percent that year and about as much last year.

Steve Weinstein

## EUROPEAN OUTLETS MOVE TO FILL SERVICE GAP

**I**t has taken some time for franchising to penetrate Europe's closed markets and cramped metropolises. Today, the industry is remedying the Continent's chronic shortage of services.

Europe's national franchise markets diverge widely in their stages and rates of market development.

After having

many of the country's outlets, franchising has been making a steady recovery over the last year and a half, according to trade journal Franchise International.

In Great Britain, franchising has been the classic, omnipresent entrepreneurial vehicle for business founders since the "Thatcher '80s."

In Central Europe,

franchising is becoming

almost as widespread in the "private-sector '90s."

Newly established outlets

prosper by serving the newly arrived and newly affluent.

In countries farther east,

franchises are suddenly flourishing in a rather unexpected role

— that of a lifeline

supplying expatriates and local

executives with computer

parts, falafel and other necessities of Western

lifestyle.

All of these national markets share one common characteristic: at varying rates of speed, franchising is alleviating the Continent's chronic shortage of services and service-related jobs.

Europe's franchising scene now sports some American-like numbers: 60,000 franchising outlets in Europe employ several thousand persons. But the Continent features a non-

American preponderance of such "high-end" franchises as deluxe laundromats, Levi's Stores, real-estate brokers and round-the-clock office rentals (complete with PCs, faxes and photocopy machines).

As any European observer knows, these services

were scarce in the pre-franchising days. Their scarcity reflected the overall state of Europe's service sector, a product of a lack of available, affordable space for new outlets and of openness to new commercial ideas.

Scarcity of space is still a fact of business life in Europe. To deal with it, most of the Continent's 2,000 franchise system suppliers have intensified American-style "maximum dispersion" franchising.

"Rather than expending their resources on setting up the greatest number of outlets, Europe's franchisers generally concentrate their investments on the franchise selection process, on outlet design and on franchise training," says Knut S. Pauli, the Leverkusen-based chronicler of Europe's franchising scene.

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Dispersion is still the name of the game, but it is approached on a step by step, long-term basis." A lack of openness to new business ideas is no longer the rule in Europe, dispelled by the introduction of the EU and the onset of the recession.

"There's nothing new about successful businesses thinking about going international," says Mr. Pauli. "New is the legal framework conducive to their doing so, and the receptiveness of local businesses to non-local ideas. And both of those stem from the EU."

In fact, EU neighbors account for the lion's share of transnational franchising in Western Europe. Germany's most successful franchiser over the past few years, frozen food merchant Eisemann, has used France as its prime market for expansion. Conversely, France's Mercure has successfully concentrated its efforts on opening up the German, Spanish, Italian and British markets for its franchised hotels.

Also new is the growing number of potential franchise owners. As business monthly Forbes Germany notes in a recent edition, the swelling ranks of unemployed and dissatisfied executives provide the perfect recruiting ground for future franchise owners. "These

executives have great managerial experience plus ample 'golden handshakes' or savings, and are actively looking for business opportunities."

Western European consumers' willingness to avail themselves of the services of Call a Pizza and Mister Minit outlets has been growing steadily over the last few years. For Central and Eastern Europeans, "it was love at first sight between franchise outlets and their customers," says Boris Gandel, international affairs editor at Simena, a Bratislava-based newspaper.

As Mr. Gandel points out, the initial rush by locals to sample such high-profile

franchises from the West.

Terry Swartzberg

He adds: "Many of my acquaintances have turned into businesspeople by opening up franchising outlets. There's a natural match between a proven concept and a newly developed market."

Terry Swartzberg

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Terry Sw

# F·R·A·N·C·H·I·S·I·N·G

## ASIAN FIRMS CATCH ON TO BENEFITS OF EXPANSION THROUGH FRANCHISING

The franchise market is on the brink of explosion in Asia, providing opportunities for immediate entry into this lucrative region to Western companies that do not have the resources, management or knowledge to expand on their own. But growth in this sector is not all from outside of the region. Many up-and-coming Asian companies are also realizing the benefits of expansion through franchising.

Singapore seems to have caught onto the franchise trend faster than its neighbors, but there is also activity in Malaysia, the Philippines, Thailand, Indonesia and Hong Kong. "Over the past three years, the number of Singapore franchisers has grown dramatically," says Tan Thuan

Seng, president of the Singapore International Franchise Association, "from eight in 1990 to 35 in 1993 with some 20 others in the pipeline."

Albert Kong, local managing director of a British-based franchise consultancy called Franchise Development Services, confirms that Singapore franchisers are beginning to expand abroad. "But we strongly encourage all our clients to go through the local learning curve before venturing overseas," he explains.

Mr. Kong recommends that expansion abroad begins as close to home as possible and that companies venture farther afield only when experience has been gained.

Several Singapore companies have already taken the plunge. Toscano, which

produces and sells high-quality leather products, has franchises in Taiwan and Indonesia and is considering requests from interested parties in Europe. Old Chang Kee Curry Puffs, which markets meat curry in a pastry casing, is already tickling the taste buds of Japanese consumers.

Perhaps the most advanced Asian franchiser is Noel, a Singapore-based company that supplies hamper, floral arrangement and corporate gifts. After three years of research and planning, Noel decided to appoint its first franchisee in Malaysia in 1991, spreading to Thailand and Indonesia in subsequent ventures.

"After two aggressive years, we have four franchisees — Kuala Lumpur, Jakarta, Bangkok and Johor Bahru," says Alfred Wong, the company's managing director. "To complete our Southeast Asia franchise network, we are currently on the look-out for franchisees in Brunei, East Malaysia, Penang and

Surabaya, as well as Taiwan and the Philippines."

Traditionally, fast-food outlets have dominated the American franchise drive into Asia — McDonald's, Burger King, Kentucky Fried Chicken, Pizza Hut, Wendy's, Hamburgers, Dunkin' Donuts, Ponderosa Steak House, Famous Amos

cookies and Swensen's Ice Cream, to name but a few. Some of these companies now seem to be moving away from franchising into joint ventures or wholly owned operations.

With more than 1,600 restaurants, \$1.6 billion in retail turnover and 22 years of experience in Asia, Kentucky Fried Chicken takes the Asian slice of its operations very seriously.

"We feel that Asia is suf-

ficiently important that we want to be not only a licensor but also owner/operator," says Tim Lane, president of KFC Asia-Pacific. "We are committed to developing our brand ourselves, but will use franchises as fill-ins." KFC holds equity interest ranging from 30 to 100 percent in half of their Asian operations.

At present, the company has franchises in Indonesia, Hong Kong, Taiwan, Korea and China.

As long-established companies move away from franchising, Asia's mouth-watering growth rates have attracted a range of nontraditional franchise companies. Steamatic International sells licenses for carpet cleaning and disaster restoration services.

"Over the last 18 months to two years, we have concentrated a lot of our franchising efforts in the Pacific Rim area, and the activity is growing," says Judy Bachman, a spokesperson at the company's headquarters in Fort Worth, Texas. "At pre-

sent, we have franchises in 13 different countries, including Singapore, South Korea, Indonesia, Hong Kong, Saudi Arabia, China, Japan and Australia."

Watchful for attractive business opportunities, Asian entrepreneurs are refusing to be left out of the action and are snapping up licensing rights for Asia from around the world. Hotel Properties Ltd., a diversified hotel, entertainment and real-estate group based in Singapore, holds franchising rights for the Hard Rock Cafe and Planet Hollywood. Salim Group has Asians lining up to get a taste of Tony Roma's ribs. And the Wy Wy Group is offering Tex-Mex food at Chili's Bar & Grill outlets. Meanwhile, Franchise Development Services is particularly proud of arranging the marriage between City Development Ltd. and U.S.-based Choice Hotels. Two of Malaysia's best-known fast-food chains — Sate Ria and Marybrown Fried Chicken — are also ex-

pecting a broad through franchises.

Lindy Berry, head of Steamatic's international franchise division, believes that constant contact is the key to a successful operation.

"Someone from Steamatic headquarters visits the franchise twice each year to check on their operations, and their people come to Fort Worth twice a year to learn about the latest technology and techniques. We communicate by fax and phone nearly every week. If they have a problem or emergency, we're available 24 hours to them."

Despite the rush to establish new franchises, barriers remain in some countries. Mr. Lane says that Kentucky Fried Chicken would like to expand faster in China, but certain "challenges" prevent this, includ-

ing the inability to obtain attractive real estate and delays in gaining the relevant government approvals.

Another KFC target is India, where the absence of adequate utilities and building quality are major considerations. Mr. Lane says his company is also worried about the petty corruption that is said to exist in India, although KFC has encountered none of this.

Mr. Lane is confident that franchising is heading for a boom in Asia. "The power of Western brands is very important in these markets," he says. Franchise Development Services is also bullish about the future of Asian franchising. The company practices what it preaches — it is planning to open offices in Taiwan, Malaysia, China and Thailand.

Joseph R. Vogerst

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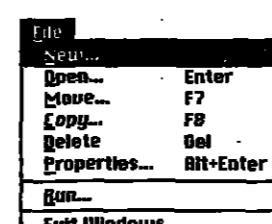
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## NORTH AMERICA: GOOD AND BAD TIMES CAN BRING SUCCESS

In the United States, franchising continues to grow as entrepreneurs discover whole new industries to franchise and ways to expand existing opportunities abroad. The passage of the North American Free Trade Agreement and the rescinding of other protectionist measures with Mexico are expected to result in a huge new market just to the south.

Overall, the 558,125 franchise outlets in the United States brought in \$803.2 billion in revenue in 1992, or over one-third of all retail sales. Franchising, which continued to grow during the prolonged recession, has kept pace with the current recovery.

"We see success either way," says Tom Portes of the Blenheim Group.

"When the economy is bad, people literally need to go out and buy a job. And when the banks are lending money again, an individual can go out and leverage a franchise. As the economy gets better, retail spending goes up, meaning more royalties for franchisees."

Perhaps the fastest-growing franchising sector is the delivery of goods and services directly to homes and businesses. Decorating Den, for example, a home-decorating franchise, is essentially a store in a van. Such services are growing faster than food, according to Bob Jones, vice president for international affairs for the International Franchise Association. The convenience attracts harried consumers, while their low cost relative to site-specific franchises makes them attractive to

most potential franchisees. Even the food industry, the most mature U.S. franchise category, is finding ways to diversify and expand. Candy HQs is the latest franchise from Mark Bob Lando, founders of the successful Athlete's Foot franchise. The company offers uniform pricing and distinctive store lighting.

Boboli International began by manufacturing its own brand of pizza shells. Kraft now makes the shells domestically, while Boboli franchises abroad its manufacturing expertise, including marketing, recipes and technology.

The passage of NAFTA will only accelerate global marketing. U.S. franchisers have always been aggressive exporters, but until re-

cently have been all but shut out of the Mexican market. John Henry, senior vice president of Uniglobe, says he receives more inquiries from Mexico than probably anywhere else in the world. Uniglobe, already the largest travel-agency franchise in the world, is currently in an advanced stage of negotiations with a group in Mexico.

Although Mr. Jones acknowledges the advantages that will come from tariff reductions on many products, such as food and chemicals, he sees the greatest benefit of NAFTA as the ultimate creation of more wealth in Mexico — and consequent consumer and business demand.

As of 1992, Mexico had only 200 franchised companies, with 3,500 units doing \$1.7 million in business — a tiny fraction of potential business for franchisers there.

Within the United States, individual states and the

federal government wrestle with issues such as franchiser compensation, complaints by minorities that they receive inferior territories, employee wages and job safety, and other issues. Franchisers argue that the industry is able to police itself without new laws, commissions or regulations, but the courts — and increasing state and national legislatures — are stepping in to oversee the industry.

One encouraging development for franchisers is the increased interest on the part of corporate managers. Faced with shrinking demands for middle managers and layoffs by once-stable blue-chip companies, executives are looking at the opportunities turnkey franchises provide for newly minted entrepreneurs. S.W.

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## Pipeline Timeline

- 1977: The Phillips Group puts the Norpipe pipeline in service and starts exports of Ekofisk associated gas to the Continent. Elf puts the Frigg gas field in the world, with reserves of more than 1.2 trillion cubic meters.
- 1979: Norsk Shell discovers the Troll gas field, the largest offshore gas field in the world, with reserves of more than 1.2 trillion cubic meters.
- 1986: Signing of the Troll gas agreement between the Norwegian gas sellers and six European buyers, including Germany, France, the Netherlands, Belgium, Spain and Austria.
- 1991: The first options under the Troll gas agreement are exercised. Norway has now committed itself to supplying 44.8 billion cubic meters of gas under the Troll gas agreement.
- 1992: Government approval is given to the development of the Sleipner West field, part of the Troll gas agreement.
- 1993: The new Sleipner platform is installed and put on-stream. The Zeepipe is put into service on Oct. 1, 1993.
- 1994: The 810-kilometer Zeepipe linking the Sleipner field to Zeebrugge, Belgium, is officially inaugurated on April 29.
- 1995: Tow-out of the Troll gas platform to the field location and installation of a new Zeepipe link between the Troll gas terminal and Sleipner. Europe becomes operational.
- 1996: Start-up of Troll gas production and of the new Zeepipe link from the Troll shore terminal to the Sleipner platform.
- 1997: Production start-up of the Sleipner West field. A.L.

## NORWAY'S TWO-FOLD INVESTMENT: IN GAS AND IN THE CONTINENT

**H**e official opening ceremony of the 810-kilometer-long Zeepipe, the world's longest offshore gas trunkline, on April 29 marks a turning point in the history of Norway. The new Troll/Sleipner export contracts have effectively doubled Norway's gas exports to the Continent.

As export volumes under the Troll agreement will reach 44.7 billion cubic meters by the year 2005, Norway's export commitments, including the depletion contracts signed in 1977 for the Ekofisk and Frigg fields and in 1985 for the Statfjord, Gullfaks and Heimdal fields, will total over 50 billion cubic meters by the beginning of the 21st century.

The historic Troll gas agreement, signed in 1986 with Germany, France, Belgium, the Netherlands, Spain and Austria, calls for Norway to supply 1,000 billion cubic meters of gas over the next 28 years, making Norway into a major European energy power.

What has confirmed Norway's posi-

tion, however, is its ability to get these huge development and construction projects off the ground. Norwegian gas sellers have committed themselves to investing more than \$18 billion for contracts that extend beyond 2022.

Phase one of the project, consisting of the Sleipner field development and the Zeepipe line to Zeebrugge, is now complete.

Phase two will be finished in 1995-96, and will include the Europe trunkline and the Troll gas platform. Phase three, ending in the year 2000, will include new field developments and new pipeline infrastructure.

The extent of Norway's risk, in financial and technical terms, was considerable at the time of the decision, which involved thinking 35 years ahead. Once the project was under way, it posed considerable challenges. The financial risk has been underscored by the slump in oil prices, to which gas prices are linked. The loss of the first concrete gravity-base structure for the Sleipner platform in August 1991, due to a design fault, provided a

stark illustration of the technological risks borne by the producers.

While a new concrete platform was ordered for the Sleipner field, new costs were incurred for a new riser platform in order to maintain the delivery deadline of Oct. 1, 1993 for the first Sleipner gas at Zeebrugge. Beyond the technical challenges, which have now proved manageable, financial ones remain. Even if more cost-efficient solutions are found to develop new offshore fields, often located in deeper waters than those of the North Sea, the cost of transporting gas to markets over longer distances means new developments do not always make economic sense.

If the demand for European gas increases from an anticipated 400 billion cubic meters in the year 2000 to an estimated 480 billion cubic meters by 2010, the three main suppliers to Europe — the former Soviet Union, Algeria and Norway — will all need to bring new gas reserves on-stream. Russia would need to develop its Yamal

peninsula gas fields and invest in new trunklines. Algeria would have to decide on new field developments to meet the growing demand from Southern Europe. Norway would also need to respond to the demand in view of Europe's requirement for secure supplies.

For the former Soviet Union and Algeria, deciding on heavy new development investments may prove challenging. Both countries would need foreign capital to realize new projects, with firm investment commitments before the end of the century. For the moment, neither Russia nor Algeria appears to have sufficient political stability to attract the necessary capital.

Hence the importance of Norway's role as a secure gas supplier to Europe. Both Germany and France have already indicated a need for more Norwegian gas in the future, and interest has been shown in Norwegian gas by East European countries like Poland and the Czech Republic.

As Norway is now seeking full

membership in the European Union, Norwegian observers in Brussels are taking advantage of Norway's powerful position as an energy supplier to Europe to convey their points of view on such matters as energy and environmental management and the use and cost of gas in order to influence European energy policy. One prominent observer is Statoil's director, Henrik Ager-Hanssen, who has entered to some of the most important EU committees.

One area in which Norway has already been heard by the European Commission is the principle of free-market competition, which the Commission has fiercely defended up until recently. Free competition would allow anyone to buy gas at the wellhead, transport it through third-party access in the existing infrastructure and sell it on the open market. Norway, however, maintains that energy has important social implications and cannot be reduced to a commodity liable to the ups and downs of a deregulated market.

Norway, as a gas nation and an ener-

gy power in Europe, also wants to contribute to the formulation of Europe's environmental policy and its implications for sustained economic growth and employment. Mr. Ager-Hanssen is the only non-EU member taking part in the EU's consultative committee on environmental issues. The committee includes representatives from the energy industry, environmental organizations and local and regional authorities. Its aim is to discuss, at an early stage of EU environmental legislation, potential problems and conflicts and to try to

Continued on page 19

# Power TO THE NEXT GENERATION

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### THE NETWORK: DOWNSTREAM DISTRIBUTORS

**N**orway is so rich in energy resources that it exports the vast bulk of the natural gas that it withdraws from the rich fields off its coast. While Norwegians rely predominantly on hydropower, their nation has become the world's sixth-largest exporter of gas.

Norwegian natural gas is piped down to Western Europe. There, it fulfills 10 percent of energy requirements. The main problem facing the distributors of Norwegian gas in six nations south of Norway is lack of transport capacity: Existing pipelines simply will not be able to carry enough gas to meet the agreed-upon targets. Hence the rush to build new pipelines to supplement the well-established Norpipe and the six-month-old Zeepipe.

The Zeepipe will deliver gas to four downstream customers: Distrigaz and Electrabel in Belgium, Gaz de France in France, and Enagas in Spain.

Belgian gas distributor Distrigaz already receives gas from Norway via the Norpipe pipeline that terminates in the German city of Emden. Its initial role in distributing gas from the Zeepipe, which terminates in Zeebrugge, Belgium, is that of a middleman.

At present, Distrigaz accepts gas from Statoil, the

Norwegian company that takes the gas immediately from the Zeepipe. Then Distrigaz runs quality-control tests on the gas, meters it and puts it into its network of pipelines for delivery to Gaz de France.

In two years' time, Distrigaz will have another customer for Zeepipe gas: Belgian electricity generator Electrabel. Starting in 1996, Distrigaz will deliver 1.7 billion cubic meters of gas per year to Electrabel, an amount that will probably increase around the year 2000.

Since Belgium is in the middle of a move away from liquid fuels such as oil and toward cleaner natural gas, how can Distrigaz afford to take only a distribution role in gas from the Zeepipe? "There are no shortages of gas in Belgium at present," explains Distrigaz spokesman Christian Otto.

In fact, Norwegian gas, delivered through the Norpipe, accounts for only 22 percent of the gas reaching Belgian consumers. Algerian and Dutch gas accounts for the rest, in roughly equal amounts. With the recent increases in supply of gas from Norway, however, the proportion of Norwegian gas is expected to grow to about the same amount as that from the Netherlands and Algeria. The new pipeline, according to Mr. Otto, "will permit the country to diversify suppliers."

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Peter Gwynne is a Brussels-based writer specializing in science and technology. • Annick Lia is Scandinavian editor for Euroil. • This is the second in a two-part series.



The Sleipner platform being towed out of a fjord near Stavanger after its completion last year.

Electrabel, meanwhile, is planning a series of new generating plants that will use the Norwegian gas it is due to start accepting in 1996. The reason for the plants: a higher than anticipated growth in demand for power in recent years.

The company usually plans new equipment over a 10-year cycle. Its 1988 plan was based on expected annual growth of 2.5 percent. With the exception of the recession-affected year of 1993, recent growth has been in the range of 3 percent to 3.5 percent.

Electrabel's revised plan envisions a total of five new generating plants that will use natural gas. The first, a 460 megawatt plant close to Brussels, was opened officially on April 15. According to Electrabel, it will be

aimed largely at domestic and small-business users — although the interconnectedness of Europe's electricity suppliers means that power generated in one particular area does not necessarily serve that area alone.

The next Electrabel plant, another 460 megawatt generator, will be located in the Liege region. Yet another 460 megawatt plant and two 350 megawatt facilities will go on-line later.

The new gas-fired plants will also make Belgian energy more environmentally friendly, according to Electrabel spokesman Philippe Massart, by moving away from liquid fuel toward natural gas. Gas from the Zeepipe that passes beyond the Belgian border will pass on to Gaz de France. The French company will use

some of that gas for its own purposes and transport the rest through France. It will be redelivered to the Norwegians at the Spanish border and passed on to Enagas. Gaz de France also receives Norwegian gas from the Emden line, shipped through Belgium via the SEGEOP pipeline, a subsidiary of Gaz de France and Distrigaz.

Natural gas accounts for about 13.3 percent of France's primary energy market at present. None is used to generate electricity. French demand for natural gas grew by 4.2 percent last year. Industry observers expect that the growth rate will continue to exceed that of the overall consumption of energy in France.

Norwegian gas is helping to satisfy the demands of Gaz de France. The volume

### A CELEBRATION FOR ZEEBRUGGE AS AN ENERGY HUB

**E**lderly-speaking Belgians call it Brugge, with a hard "g," while French speakers pronounce it Bruges, with a soft "g." But for Belgians of both tongues, the medieval city is rapidly becoming the energy capital of Europe.

The Zeepipe will be officially inaugurated at the Zeebrugge terminal today at 11:30 A.M. by the Belgian prime minister, Jean-Luc Dehaene, assisted by Norwegian Prime Minister Gro Harlem Brundtland. Following the inauguration lunch, guests will repair to the medieval Belfort building in the center of Bruges for the ceremony marking the start of deliveries under the Troll gas sales agreements. In the evening, some 300 guests will top off the festivities with a gala banquet at Belfort.

For Brugge and its port, the Zeepipe represents part of a general buildup as an energy center. Zeebrugge already boasts a liquid natural

gas terminal. The region is designated as the receiving terminus of a tentative new pipeline, the Eurolink. If feasibility studies due to be released in the autumn prove satisfactory, Eurolink will pump gas from the British side of the North Sea to Continental Europe via Zeebrugge.

The Flanders port is also in competition for the second Zeepipe. That project has received the green light to deliver yet more natural gas from Norwegian fields. The southern landing point has not yet been decided, however.

How has the recent activity helped Belgium in general and the Brugge-Zeebrugge region in particular? "Belgian dredging and pipelaying companies have gained a higher profile internationally," says a spokesperson for Distrigaz. "and the image of Belgium as a major center for European gas flow is important for the future."

P.G.

### NORWAY INVESTS IN ENERGY AND IN EUROPE

*Continued from page 18*

find solutions through the formulation of environmental directives.

Norway hopes to underscore its role as an energy supplier to Europe by further expanding its power exports. In this case, new power could be generated by gas-fired plants in Norway or in

other European countries.

Mr. Ager-Hansen, from his observer's post in Brussels, is already representing both Statoil and Statkraft (the national Norwegian power utility). Indications have been given that they could jointly form a gas-fired power-generation consortium.

A.L.

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# Gas Energy for Europe

## TROLL'S UNPRECEDENTED ENGINEERING PROJECT

**T**he development of the Troll field is the world's largest energy project. With a capital expenditure of \$4.6 billion for the platform and the shore terminal alone, it is the most capital-intensive project to date.

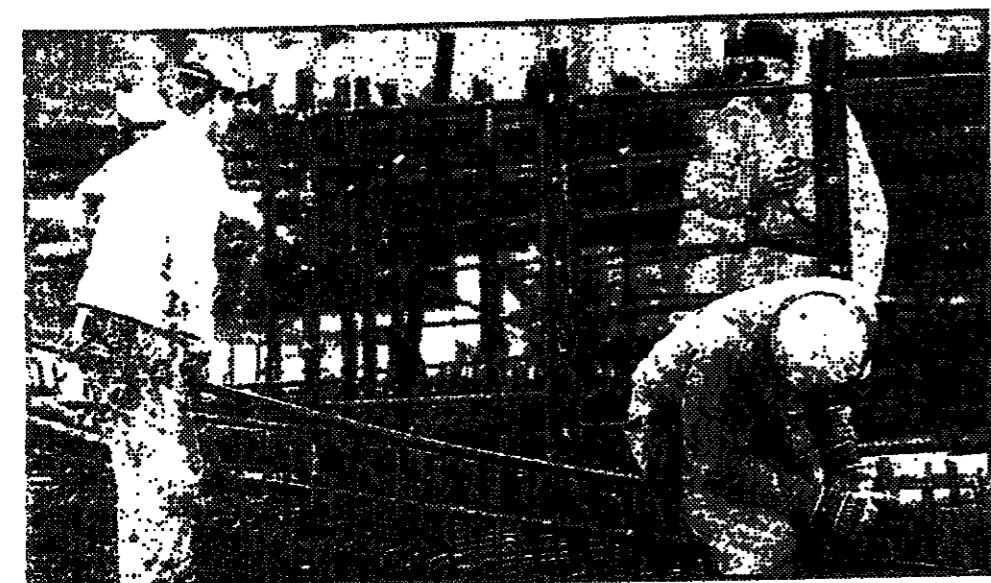
Twenty-six exploration wells have been necessary to

and one observation well, will be required to tap the reserves. The gas is essentially methane, with no carbon dioxide or sulfur.

The wells will be drilled from a gigantic 430-meter platform, which will rest in a water depth of 303 meters. The wells will each be slightly deviated and, rather like the legs of an octopus,

this part of the North Sea, the platform must withstand waves of up to 30 meters as well as very strong currents. Concrete is the only material offering sufficient resistance to these forces.

When the Norwegian government approved the project in December 1986, operator Shell was made responsible for offshore development.

The Troll platform will contain enough concrete to build a 5,500-unit apartment block.

map and appraise the Troll field, discovered by Norske Shell in 1979. Located 80 kilometers (50 miles) off Bergen, the field contains estimated recoverable reserves of 1.2 trillion cubic meters of gas. The Troll gas volume is equal to a 5.5-meter-thick layer covering the whole of Norway.

The Troll reservoir extends over four blocks, or about 2,000 square kilometers. The gas is trapped in sandstone of the Jurassic era, which can be up to 40 meters thick, 1,400 meters below the seabed. The sandstone is very permeable and has excellent production capabilities. Forty wells, including 39 production wells

form a circle 500 meters in diameter under the platform. Each well will be able to produce 3.4 million cubic meters of gas per day; under normal operations, however, production is likely to be limited to 2.8 million cubic meters per well a day.

If the Troll platform were built on land, it would have a visibility of 70 kilometers from the top. The platform consists of a 370-meter, four-legged gravity-base structure in concrete, topped by a deck with drilling, production and transport facilities. Concrete was chosen for the substructure of the platform because it has a lifetime of at least 70 years. In the harsh environment of

opment. Because the Troll construction stretched the limits of tested technology, it was decided to treat and dry the gas at an onshore terminal, now under construction north of Bergen. This saved considerable weight on the topsides of the platform, a vital advantage when towing the million-ton structure out to sea.

Breaking yet another technological barrier, "wet" untreated gas would, for the first time, be transported on an industrial scale over a great distance. To prevent the liquid elements in wet gas from freezing, it is necessary to inject glycol, a sort of antifreeze, into the two pipelines transporting the

Meanwhile, the Sleipner

untreated gas to the Troll onshore terminal.

From the Troll terminal, the "dry" gas will be exported through a new pipeline scheduled to be laid in 1995 over the 300-kilometer stretch between the terminal and the Sleipner riser platform. In 1997-98, another export line will be laid from the terminal to a central takeback point of the North Sea gas export infrastructure.

Construction of the Troll platform started in 1992 in Stavanger, at the building site of Norwegian Contractors. The 300,000 cubic meters of concrete used for the platform could fill a line of concrete mixers from Stavanger to Oslo, and would be enough to build a 5,500-unit apartment block. New York's World Trade Center, with its 16,500-square-meter base and height of 370 meters, is dwarfed in comparison.

The concrete substructure will weigh a total of 656,000 tons. First to be constructed were the 40-meter skirts, which are intended to sink in the soft seabed and give stability to the structure. Then came 12 ballast caissons, 60 meters high, over the skirts, and the slipforming of the four shafts. In June 1993, when the platform had reached a height of 134 meters, Norwegian Contractors towed it to a deep-water fjord in order to complete the remaining concrete work to a final height of 370 meters.

The completed platform will be towed out and installed in the field location in 1995, followed by a phase of hook-up and commissioning leading to production in 1996, 10 years after government approval was granted.

At this point, Statoil will take over the operation of the Troll field.

Meanwhile, the Sleipner

field has started to produce the first volumes of gas under the Troll gas agreement. The very first gas was actually produced in August 1993, while contractual commitments started in October 1993.

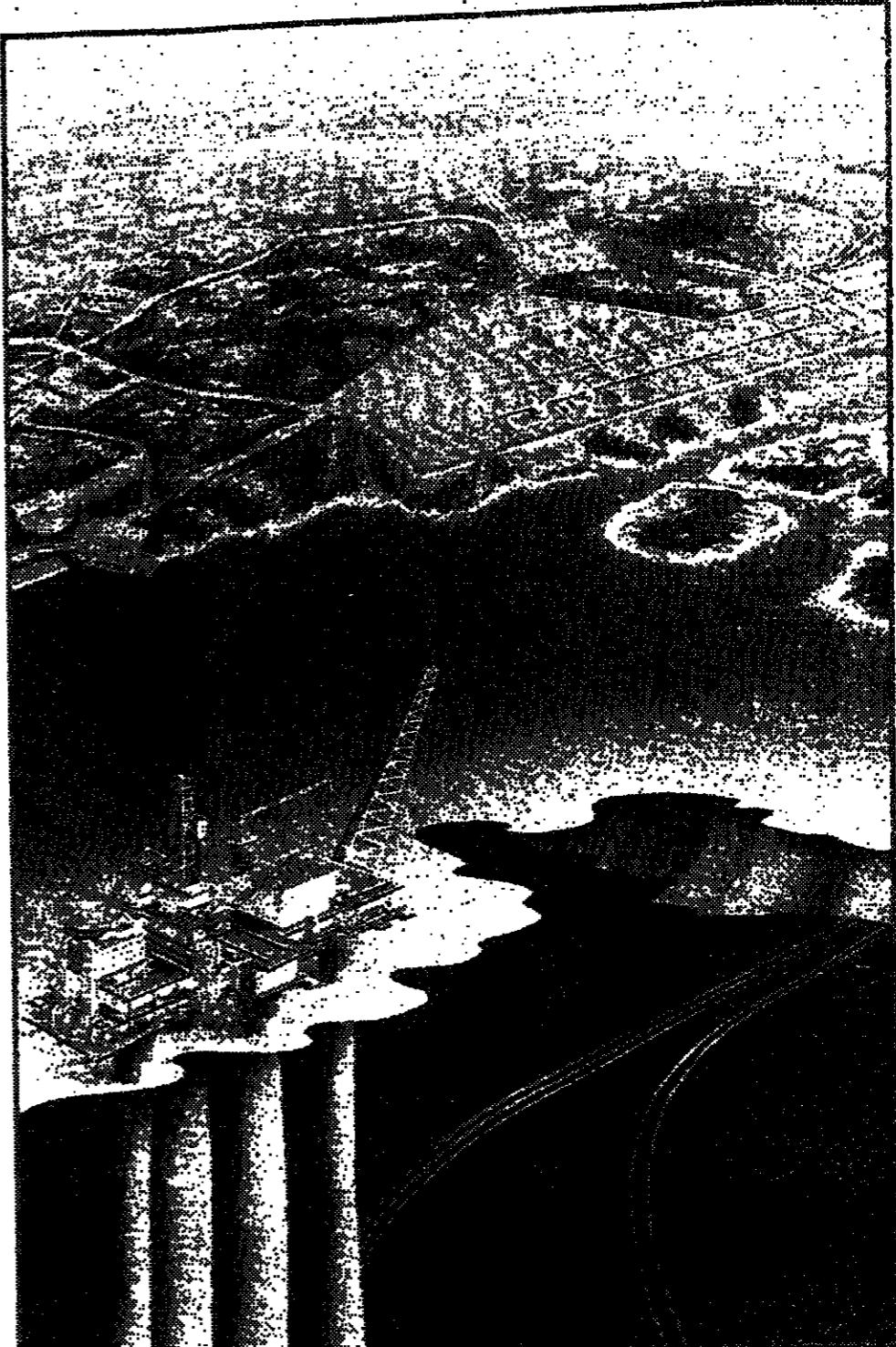
The Sleipner gas is transported in the 810-kilometer Zeepipe, landing at Zeebrugge, Belgium, and it is this event that is being officially celebrated today.

The Sleipner project has been a particularly eventful one in Norway's oil and gas history. On Aug. 23, 1991, the Sleipner concrete gravity-base structure under construction at Norwegian Contractors in Stavanger sank to the bottom of the fjord, where it was undergoing ballast tests. The loss was estimated at \$274 million. A design error was identified as the cause of the accident, and another concrete base was immediately ordered. Within two years, a redesigned concrete construction was completed and towed to the field for the first production to meet contractual obligations of October 1993.

The Sleipner concrete structure is 110 meters high and has a concrete volume of 79,000 cubic meters. The 37,000-ton deck features a fully integrated production, process and accommodation plant.

At plateau level, it will produce 20.5 million cubic meters of gas per day as well as 19,600 cubic meters of condensate, which is transported separately to a shore terminal north of Stavanger.

A.L.



Landbased processing of Troll gas will improve safety as well as the project's economic potential.

NORSCHE SHELL

## A FUEL OFFERING GREEN CREDENTIALS

**A** growing consciousness that the environment is an economic resource worth investing in is helping to shape European energy legislation and has already encouraged the switch from coal and oil to natural gas.

While natural gas's share of total European energy consumption was 2 percent in 1960, it was 17 percent in 1991 and almost 20 percent in 1994. In the same period, coal's share has fallen from 62 percent to 23 percent, while the share of oil has gone up from 33 percent to 43 percent, primarily reflecting greater demand in the transport sector.

Yet the progress made by gas has gone almost unnoticed. As a fossil fuel, gas cannot claim to be a 100-percent clean source of energy.

**Gas has cut carbon-dioxide emissions in Europe by 30 million tons**

gy, but compared with its alternatives, it emerges as a safe fuel and the cleanest of all hydrocarbon fuels.

Some in the industry point to gas as the most environmentally friendly fuel during the transition to renewable fuels. The widespread use of renewable fuels, such as solar or wind energy and hydrogen, still requires major technological breakthroughs for large-scale industrial use.

Ongoing research in the United States and Europe shows that the interest in renewable fuels is still at the laboratory level and would need strong economic incentives to take off. In principle, the pipeline infrastructure already in place for natural gas could easily be adapted, for example, to the transport of hydrogen. The question is whether producing hydrogen from natural gas is cheaper than producing it from solar energy. Future debate will surely attract the interest of nations like Norway, which possesses both the gas and the related transport infrastructure.

Meanwhile, as Peter Mellbye, Statoil's president for the gas division, suggests: "Technological breakthroughs are economically driven, and therefore will not take place before the price of natural gas becomes

unsustainable, which is unlikely to happen in the near future." For the time being, however, highly polluting fuels are in retreat, and the void they leave is slowly being filled by natural gas.

Nuclear fuels have substantially helped to curb carbon-dioxide, sulfur and nitrogen-oxide emissions, but the Chernobyl incident in the former Soviet Union in 1985 and the environmental hazards of the disposal of



Consumers are more aware of the need for nonpolluting fuels.

Although natural gas is a fossil fuel, it offers considerable advantages for the environment. Gas does not require particularly high technology and can therefore be used at low cost in many developing countries, where it is already produced as associated gas with oil.

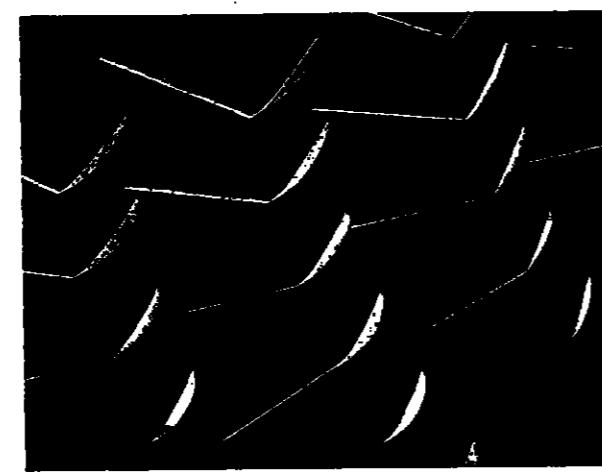
"Sour" natural gas is desulfurized prior to transport in order to avoid corrosion problems. When it arrives at the burner tip, it contributes will also be substantially reduced.

A number of environmentalists argue that methane is a strong contributor to global warming and that the effect of curbing carbon-dioxide emissions could be nullified by leaks in the natural gas supply chain, particularly if the use of gas were to grow substantially. Calculations show, however, that leaks from the production and transport of Norwegian gas are extremely small — on the order of 0.01 percent. A major reason for this is the stringent safety restrictions that apply to all oil and gas operations on the Norwegian shelf. Another is that Norway sees gas and the natural environment as valuable resources and seeks to prevent any needless waste.

In the former Soviet Union, and in Russia in particular, European and American gas companies are helping to repair a number of leaky pipelines. While pipeline leaks account for only about 5 percent of methane emissions, scientists have started to regard other methane sources as perhaps a greater threat to global warming. Natural swamp areas, rice cultivation, sewage treatment, livestock and other human-related activities are understood to be major methane contributors.

Gas is abundant. Worldwide reserves are steadily upgraded, and new gas is being discovered all the time. The North Sea, Russian and Algerian reserves combined could continue to supply Europe for centuries at today's consumption rate. European legislation has taken steps to encourage the use of gas, but the price of imported gas reflects the cost of long-distance transport. New legislation to encourage the use of gas by means of taxes on coal and oil could prompt a new surge in demand for gas in Europe.

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# SPORTS

## For Milan, A Soccer Tale of 2 Cups

Compiled by Our Staff From Dispatchers

MILAN — The city of Milan is two games away from a first in international soccer: Never before have two teams from the same city won European cups in the same season.

AC Milan is in the final of the Champions' Cup by virtue of its 3-0 triumph Wednesday night over Monaco. Its opponents in the May 18 final in Athens will be Barcelona, which won its semifinal 3-0, over FC Porto.

Inter Milan, which plays its home games at the same San Siro stadium as AC Milan, holds a 1-0 advantage over Salzburg of Austria after the first leg of the UEFA Cup final on Tuesday.

And an Italian sweep is possible because Parma is in the final of the third major tournament, the Cup Winners' Cup. The Italian club plays Arsenal for the title May 4.

Italian teams last won all three trophies in 1990, when AC Milan lifted the Champions' Cup, Juventus the UEFA Cup and Sampdoria the Cup Winners' tournament.

This year, AC Milan, in the Champions' Cup final for the fourth time in six years, will be without two of its starters when it faces Barcelona, which won the cup in 1992.

Milan's captain, Franco Baresi, is suspended after receiving his second yellow card of the tournament against Monaco and his fellow defender, Alessandro Costacurta, is out for a game because he was sent off on Wednesday.

Milan's coach, Fabio Capello, said UEFA, the sport's governing body in Europe, should review its disciplinary system, but a spokesman at the club said on Thursday that they were not planning to appeal against either suspension.

"These are the injustices of soccer, of a disciplinary system that is wrong and should be changed," Capello said.

Baresi and Costacurta deserve to play in the final," he added.

Milan, which recently clinched its 14th Italian league title, has won the Champions' Cup four times. (AP, Reuters)

### ■ UEFA Adds 4 Nations

Azerbaijan, Israel, Macedonia and Moldova were admitted to UEFA on Thursday and the body's congress re-elected Leifart Johansson of Sweden to another four-year term as president. The Associated Press reported from Vienna.

## A Replay of 1981: Viola 1, Darling 0

The Associated Press

Baseball fans can only hope for Viola-Darling III.

Frank Viola and Ron Darling, facing one another for the first time since their college days, dueled for nine innings on Wednesday night as the Boston Red Sox eked out a 1-0 victory over the A's in Oakland, Calif.

The matchup was the first between the two pitchers since a classic NCAA tournament game between Yale and St. John's on May 21, 1981. In that game, Darling

pitched 11 no-hits inings for Yale before giving up his first hit and run in a 1-0 victory by St. John's. Viola was nearly Darling's equal that day, pitching 11 shutout innings to come away the victor.

"That's funny, 13 years later, and it's 1-0 again," said Viola. "When we were with the Mets, we talked about that game a lot. It was probably the best game I've ever seen somebody pitch."

"And here it is, the second time we've ever faced each other, and he ends up losing 1-0 again," he added. "It's a shame somebody had to lose. Sorry about that."

Darling was inches away from evening his record against Viola.

With a runner on the ninth, Oakland's Ruben Sierra fled out to the wall in center off Jeff Russell, who picked up his seventh save.

"He's definitely got the edge on me in 10 games," Darling said. "He's a hell of a pitcher, and I came up a little bit short."

Billy Hatcher drove in the

game's only run with a third-inning RBI groundout, and threw out a runner at the plate in the fourth. Oakland hit into four double plays.

Indians 8, White Sox 7: Manny Ramirez hit a two-run homer and Mark Lewis hit an RBI double as the Indians, aided by two Chicago errors, scored three in the 12th in Cleveland.

The White Sox had taken a 7-5 lead in the 12th on Darrin Jackson's two-out, two-run double off Eric Pham. In the bottom half, Robin Ventura booted Paul Sorrento's grounder at third base for the White Sox's fourth error, and one out later, Ramirez homered off Roberto Hernandez.

Rangers 11, Blue Jays 3: In Arlington, Texas, Kenny Rogers allowed six hits in 7 1/2 innings, and David Hulse had three hits for the Rangers.

Toronto's Joe Carter set a major-league record by driving in his 30th run of April with a first-inning single.

Orioles 13, Angels 1: In Anaheim, California, Cal Ripken had four hits, including his first homer of the season, and drove in five runs as the Orioles banged out a club record 11 extra-base hits.

Yankees 12, Mariners 2: In Seattle, Jim Leyritz hit New York's third grand slam in five days, and the Yankees scored five runs on seven walks and a hit batter in the third inning.

In the third, the Yankees took advantage of Dave Fleming's wildness. With two out, Fleming walked five straight to force in two runs.



Scott Erickson, who allowed the most hits in the majors last season, stilled the Brewers for the first Minnesota no-hitter in 27 years. Said Manager Tom Kelly: "You see a lot of weird stuff in baseball."

## Mets Outlast the Padres, 3-2

The Associated Press

The more the New York Mets missed chances to win, the more Manager Dallas Green made moves to his depleted bullpen.

After nearly five hours, though, Green and the Mets got a break. Fernando Vina singled home the deciding run with two outs in the bottom of the 15th inning Wednesday night, and New York beat the San Diego Padres, 3-2.

"Great baseball game, that's all I can say," Green said. "We didn't play good situation baseball. We probably could have won it five different innings."

Green used five pitchers. He might have used Mike Maddux, too, but he was unavailable; the reliever

### NL ROUNDUP

broke his left big toe when he kicked a dugout step after giving up two runs in a 6-3 loss to the Padres on Tuesday night.

Douglas Linton pitched three scoreless innings as the Mets ended their three-game losing streak. New York stopped San Diego's four-game winning string.

Kevin McReynolds led off the 15th with a single against Tim Mauter and moved up on a groundout. With two outs, Vina hit a hard grounder that glanced off the glove of Phil Clark at first base.

The game at Shea Stadium took 4 hours 57 minutes and ended at 12:35 A.M.

Dodgers 5, Phillies 4: Cory Snyder singled home the winning run in the bottom of the 10th inning as Los Angeles sent Philadelphia to its fifth straight loss.

The Dodgers have won three in a row and six of eight. The Phillies finished 1-6 on their California trip.

Snyder had three hits and drove in three runs. Larry Rodriguez and Tim Wallach drew walks from Larry Andersen to start the 10th. After Eric Karros struck out, Snyder singled to right-center.

Expos 7, Giants 1: Ken Hill pitched his first complete game in more than a year, and Montreal beat visiting San Francisco.

Hill gave up six hits, walked two and struck out one.

The Expos got five singles off Mark Portugal in taking 3-1 lead in the second.

Marlins 3, Rockies 2: Gary Sheffield homered for the third straight game, and Florida defeated Colorado. Sheffield's two-run shot gave him homers in the Marlins' last five home games.

Charlie Hough allowed one run and five hits. The Marlins, minus their injured closer, Bryan Harvey, took a 3-1 lead into the ninth, but John Vande Wal, pinch hitting, ripped an RBI triple off Jeremy Hernandez with one out. Hernandez, however, retired Eric Young on a popup and got Walt Weiss on a fly ball for his second save.

Padres 3, Reds 1: Zane Smith pitched a four-hitter, and Pittsburgh beat visiting Cincinnati.

Smith struck out six and walked one. He also had two hits, and is batting .500 (6-for-12) this season.

Astros 8, Cubs 5: Ken Caminiti and Andujar Cedeno homered as Houston rallied from an early run deficit to beat Chicago at the Astrodome.

Jeff Bagwell drove in the go-ahead run in the seventh inning with an RBI grounder. The Cubs lost for the 10th time in 12 games.

## 2d Holyfield Heart Problem Found

The Associated Press

ATLANTA — Medical tests conducted after discovery of a heart condition that forced the ex-heavyweight boxing champion Evander Holyfield, 31, to retire have revealed another cardiac problem.

An atrial septal defect, a small hole between the two upper chambers of Holyfield's heart, was detected Wednesday in the tests, said Dr. Ronald Stephens, the boxer's physician. He said it was congenital, not life-threatening and unrelated to the condition, called noncompliant left ventricle, that led to the boxer's retirement.

## Twins' Erickson Hurls AL's First No-Hitter of '94

The Associated Press

MINNEAPOLIS — There were two runs in the ninth inning and 17,968 fans were on their feet when Scott Erickson threw one of his few poor pitches, sending a 1-2 slider to Milwaukee's cleanup hitter, Greg Vaughn.

Vaughn took a mighty swing and managed only a high fly to shallow left field, apparently preserving Erickson's no-hitter on Wednesday night and wrapping up the Brewers' 6-0 loss to the Minnesota Twins.

"When I hit it, I thought, 'He got it,'" Vaughn said.

The American League's first no-hitter of 1994 did not end that simply, though.

As the ball drifted down to left fielder Alex Cole, shortstop Pat Meares flashed into the picture. The two just missed each other before Cole made the catch.

That helps explain Erickson's restrained reaction — only a slight pumping of both fists into the air — after pitching the best game of his wildly vacillating career.

"It's not like I've practiced what I would do if it were to happen," he said. "Besides, I seriously thought that they were going to run into each other."

Yes, the 26-year-old right-hander had negative thoughts even in the final play of his most glorious achievement.

If one had tried to pick the man least likely to pitch the major leagues' second no-hitter of '94, Erickson might have been him.

"I really didn't expect it," said Erickson, the first Minnesota pitcher in 27 years to pitch a no-hitter. "I really didn't feel that good before the game. I took the field and the first two guys hit bullets and I said, 'This might be a long night.'

He had had many, many long nights since he had 20 victories and helped the Twins take the World

Series in 1991, his first full big-league season.

Going into Wednesday, he was 9-34 in his previous 40 starts. He still has not won consecutive decisions since September 1992.

Last season, he was 8-19, leading the majors in losses, hits allowed (266) and runs allowed (138). This season, he was 1-3 with a 7.84 earned run average and opponents were batting .384 against him.

Then came Wednesday, and baseball's most hitable pitcher became unhittable.

"That's what makes this game so great," said the Twins' manager, Tom Kelly. "You see a lot of weird stuff in baseball."

Erickson struck out five, walked four and hit a batter. He threw 129 pitches, including 71 strikes, and 15 outs came on grounders as his sliders bedeviled the Brewers.

The last Minnesota pitcher to throw a no-hitter was Dean Chance, who no-hit Cleveland on Aug. 25, 1967.

The other no-hitter in the majors this season was by Atlanta's Kent Mercker, on April 8 in Los Angeles. The most recent AL no-hitter had been by Jim Abbott of the New York Yankees against Cleveland on Sept. 4.

Erickson did not need any sparkling defensive plays to preserve the no-hitter. Even the two first-inning liners, by Alex Diaz and Bill Spiers, were right at fielders.

"It wasn't a perfect game, but it was perfect for what we needed," said Kirby Puckett, who had four hits in support of Erickson. "He's taken a lot of abuse, so I'm happy for him."

Milwaukee had been held hitless just once before in its 25-year history, by Kansas City's Steve Busby on June 19, 1974.

Erickson became the third Twin to pitch a no-hitter, joining Chance and Jack Krackik, who did it in 1962. It was the first no-hitter at the Metrodome, a batter's paradise since opening in 1982.

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## OBSERVER

## The Toothless Tiger

By Russell Baker

NEW YORK — It was entertaining to watch the press crowd come to grips with the dead Richard Nixon over the weekend. What a botch they made of it. They seemed engaged in a group conspiracy to grant him absolution.

It will be said that they were simply indulging in the civilized insincerity that courtesy prescribes, and there is something to be said for an outbreak of courtesy in the press. The Clintons would doubtless welcome an epidemic of it.

Its postmortem engagement with Nixon, however, suggests once again that the press's dreadful reputation for basitility is mostly fraud. Like an old tiger with no teeth, it can still gum its way through a vegetarian meal like Whitewater, but serve it a tough customer, and it purrs and rolls over, as it did when confronted by President Reagan.

To measure how much villainy has gone out of the press, compare its sentimental treatment of the dead Nixon last weekend with H.L. Mencken's obituary of William Jennings Bryan, three times Democratic candidate for president.

"Has it been duly marked by historians that William Jennings Bryan's last secular act on this globe of sin was to catch flies?" Mencken's assault began.

Like Nixon, Bryan had been on the political scene for what felt like eternity. At his death in 1925 he had been an important public figure for 29 years, since his first attempt on the White House against McKinley.

That he, like Nixon, was an adored figure among his party's old warriors earned him no mercy from Mencken, who wrote of him:

"The best verdict the most romantic editorial writer could dredge up, save in the humorous South, was to the general effect that his imbecilities were excused by his earnestness — that under that of the jester of Notre Dame, there was the zeal of a steadfast soul."

Brutality on this scale toward a statesman freshly dead would leave today's publishers, editors, reporters and columnists in catatonic shock. They — we — are all a polite and timid bunch, too delicate to

utter truly rude noises over newly filled coffins.

And wouldn't the public be appalled if one of us did? Wasn't Mencken's obituary just a vicious piece of showing-off by a sassy kid? Well, he was 45 at the time, scarcely a youngster, and yes, his bite was an iron wreath, but it stirred the public when it was published, is still read as literature today and may endure to be all that Americans know of Bryan.

Nixon produced no such monument from his media pallbearers. The toothless tiger gummmed him toward the grave with "on the one hand this and on the other hand that" and with many a "figure of controversy" and, on the whole, with such evaded objectivity that, to borrow again from Mencken, it was enough to make a barber beg for mercy.

Nixon hated the press, of course. Later when television replaced print as the instrument for clouding men's minds he hated television too. He wanted to cloud men's minds and found it unbearable that press and television could interfere with the purity of the process.

Not all the press hated him back. There was usually a tiny Nixon press clique on his campaigns. Yet new reporters joining those caravans with prejudices still uniformed were often astonished and then alienated by the arms-length isolation at which they were kept and by the weight of suspicion always palpable around Nixon despite efforts by the Herb Kleins, Bob Finches and Charlie McWhorters to lighten the atmosphere.

Many of the old press hands who hated Nixon most, of course, have panned him into the Yonder, and those who are now old and living are scarcely old enough to remember when the hating was truly good.

The truly bleak fact, however, is that there are no Menckens left among us. This is too bad, not just for the reading public, and for the self-respect of journalism as a calling, but also for poor dead Nixon.

He hated the press with a fury that deserved the fury of at least one press giant who could hate him back with a grandeur to match his own. At death, he received only polite murmurs.

New York Times Service

## WEATHER

## Europe

		Today		Tomorrow	
		High	Low	W	W
Alps	17/70	12/65	10/60	W C/F	C/F
Amsterdam	17/70	12/65	10/60	W C/F	C/F
Antwerp	18/64	7/44	10/55	W C/F	C/F
Athens	21/70	12/65	10/60	W C/F	C/F
Balaton	20/68	11/62	10/55	W C/F	C/F
Belograde	21/70	12/65	10/60	W C/F	C/F
Berlin	21/70	12/65	10/60	W C/F	C/F
Bordeaux	21/70	12/65	10/60	W C/F	C/F
Budapest	21/70	12/65	10/60	W C/F	C/F
Copenhagen	18/61	8/46	17/62	W C/F	C/F
Cordoba	18/61	8/46	17/62	W C/F	C/F
Dublin	17/62	5/41	12/65	W C/F	C/F
Edinburgh	13/65	7/44	11/62	W C/F	C/F
Florence	21/70	12/65	10/60	W C/F	C/F
Geneva	22/71	11/62	10/55	W C/F	C/F
Helsinki	18/64	8/46	18/65	W C/F	C/F
Iceland	18/64	8/46	18/65	W C/F	C/F
Leuven	20/68	12/65	10/60	W C/F	C/F
London	21/70	12/65	10/60	W C/F	C/F
Madrid	22/71	12/65	10/60	W C/F	C/F
Milan	22/71	12/65	10/60	W C/F	C/F
Moscow	20/68	9/46	22/71	W C/F	C/F
Munich	21/70	12/65	10/60	W C/F	C/F
Nice	21/70	12/65	10/60	W C/F	C/F
Oslo	20/68	11/62	10/55	W C/F	C/F
Palma	20/68	11/62	10/55	W C/F	C/F
Paris	24/70	13/65	13/65	W C/F	C/F
Prague	22/71	12/65	10/60	W C/F	C/F
Stockholm	17/62	6/43	12/63	W C/F	C/F
Strasbourg	22/71	12/63	10/60	W C/F	C/F
Tallinn	18/64	8/46	18/65	W C/F	C/F
Vaduz	20/68	12/65	22/71	W C/F	C/F
Vienna	18/64	8/46	21/70	W C/F	C/F
Vienna	20/68	12/65	22/71	W C/F	C/F
Zurich	23/70	12/65	25/77	W C/F	C/F

Legend: **S**unny; **PC** partly cloudy; **C** cloudy; **W** showers, rain; **S**now; **HN** -10°C; **W** -10°C.

All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

## A More Than Literary Mystery From India

By Molly Moore

*Washington Post Service*

NEW DELHI — It has all the ingredients of a good mystery — a feuding family, a bizarre crime, exotic locales, and a body on the bedroom floor. The last chapter, however — the one where the detective calmly explains whodunit and why — may never be written.

What led 41-year-old Indrani Aikath-Gyaltsen, a promising but wildly insecure writer, to plagiarize from Elizabeth Goudge, a romance author almost as popular in her day as Danielle Steel is now? The deception was sure to be uncovered and, over the last two months, it was.

Aikath-Gyaltsen isn't around to answer questions. On Oct. 3, she wrote a short letter to Khushwant Singh, one of India's best-known authors and her mentor. "I am still in a very bad frame of mind," she wrote. "Afraid to live, afraid to die. But you are right. Only I can help myself."

Later that day a niece reportedly found her sprawled on the floor of her Bihar house with "something white dripping from her mouth, leading to the belief that it was poison," said Utam Sengupta, editor of the Bihar edition of the Times of India. She died the next day.

Suicide is one obvious explanation. If plagiarism destroys the integrity of the soul, following up with the destruction of the body is grim but understandable. But the writer's husband is accusing Aikath-Gyaltsen's mother and sister of letting her die by failing to get her appropriate medical care. He has reportedly asked both police and state officials to conduct an inquiry.

Finding the cause of death will be difficult. Following Hindu custom, there was no autopsy and the body was cremated.

Meanwhile, Aikath-Gyaltsen's third and final book will be published posthumously next month. The title: "Hold My Hand, I'm Dying."

The source of Aikath-Gyaltsen's plagiarism in her novel "Cranes Morning" was "The Rosemary Tree," Goudge's tale of a Devonshire vicarage, first published in 1956. The New York Times Book Review criticized its "sloppy" plot and "sentimental" esthetic approach.

After Aikath-Gyaltsen recast the setting to an Indian village, changing names and switching the religion to Hindu but often keeping the story verbatim, it received better notices. In February, the Times found it "full of humor and insight."

The Goudge estate was investigating when a Concord, New Hampshire, librarian realized she had also read "Cranes Morning" before. She told her local paper, a reporter contacted the relevant parties, and a scandal was born.

Indrani Aikath was the daughter of a fairly well-to-do coal mine owner in the hill



Indrani Aikath-Gyaltsen: "Afraid to live, afraid to die"

town of Chaibasa in Bihar — the poorest, most politically violent state in India. But her family moved in circles that allowed her to avoid the wretched lives around her. She went to Columbia University in New York.

Her first marriage was brief, and as a young divorcee she found many male admirers in Calcutta, three of whom ended up vying for her hand.

Goudge, who died in 1984, had a memorable storytelling technique. The first to discover the plagiarism was an Ontario woman. She read "The Rosemary Tree" 30 years ago, she said in a March 15 letter to Goudge's English publishers, "but I remember it very well." She added: "Having no more than a lay person's knowledge of copyright laws, I express no opinion on this but do wonder how Miss Goudge's story could be taken over with no acknowledgment whatsoever."

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Indrani Aikath was the daughter of a fairly well-to-do coal mine owner in the hill

Singh did not hesitate to propose that Penguin Books, where his recommendations are gospel, publish her first work, "Daughters of the House." The story about strong women prevailing over impotent and unsuccessful men would become a recurring theme. That was in 1991. Two years later, "Cranes Morning" appeared in India. The response and sales — and Singh's backing — got the author a 10-book contract from Penguin.

Still, the insecurity persisted. But when it came to writing, there was little insecurity. She once boasted: "I can churn out a novel every six months."

There was another troubled side of Aikath-Gyaltsen's life. Her father's death last year was not only emotionally devastating, it set off a family feud between Aikath-Gyaltsen and her mother and older sister over his substantial coal and land holdings. She returned to the family estate in Bihar to protect her interests.

When Aikath-Gyaltsen talked to friends she veered between bragging about how wealthy she would be when the mines were sold and complaining that she was nearly penniless, which surprised those aware of the sizable advance from her publisher.

Then suddenly, she was dead. According to accounts from reporters, friends and complaints filed with the police, her mother and her sister did not take her to a hospital when they discovered her on her bedroom floor. Instead, they called the local doctor. According to the husband's accounts, the mother retired to her bedroom and her sister went on to her job as a schoolteacher. Aikath-Gyaltsen sank into a coma and died the next day.

Her husband told police and the press that "since there was this dispute, they neglected her on purpose, just let her die," according to Alka Choudhury, a reporter in Bihar for the Times of India.

Calls placed to the mother and the sister, said to be still at their Bihar estate, went unanswered. The husband also could not be contacted. He is reportedly asking for an official inquiry.

When Singh received the small, neatly penned letter from Aikath-Gyaltsen a few days after her husband called to inform him of her death, he said, "It shocked me. My first suspicion was suicide."

Now he is siding with the husband and seeking to open an investigation.

The various publishers of "Cranes Morning" have had different reactions. In England, the book had not yet been published and was easily canceled. In the United States, Ballantine had shipped 6,500 copies of "Cranes Morning." The publisher has not ordered its return, but has stopped fulfilling orders.

## PEOPLE

Much Traveled Figaro Saves a Show in London

The baritone Jeffrey Black lost his voice minutes before he was due to sing the title role of Mozart's "The Marriage of Figaro" at London's Royal Opera House. Franck Covert Garden officials tracked down Thomas Allen, sleeping off jet lag at his home after having performed in a production of "Figaro" in Los Angeles. As company spokeswoman said Allen "asked when he was curtain up and rushed to the theater. He had to delay until 7:30 P.M. and tell the audience about poor Jeffrey. When Thomas made his first entrance there was a huge round of applause."

Chevy Chase was in Washington last week, and while his career has had more down than ups lately, Bill Clinton obviously still thinks he's a barrel of laughs. Chase and his wife, Jayni, were to stay at a hotel, but Bill wouldn't hear of it, and so they spent the night at his place in the Queen's Bedroom.

"We sat out on the Truman Balcony and let Bill wind down after his day," Chase said. "It doesn't get any better than that." The actor campaigned for Clinton in 1992.

Jack Bruce, whose bass riff on Cream's "Sunshine of Your Love" is one of the most recognizable in rock, is back in the studio with drummer Ginger Baker. Only Eric Clapton is missing from what would be any record company's reunion fantasy. Cream broke up in 1969, but the trio entered the Rock 'n' Roll Hall of Fame in 1993.

It could have been bigger than Tom and Roseanne, gaudier than The Donald and Maria — a wedding of the century uniting Madonna and rapper Vanilla Ice. It almost happened, according to Ice in Spin magazine. "It was pretty serious. I dug her," the 25-year-old rapper says of their eight-month romance.

Well, not always. "She would change personalities a lot," he said.

"Sometimes she acts like a shy little girl, but all of a sudden she'd change and start yelling and you'd hate her."

## INTERNATIONAL CLASSIFIED

Appears on Pages 8, 9, 15 & 23

## CROSSWORD

ACROSS	10 December 31	91 Double Fantasy singer	37 Bow to bow, perhaps	48 Stick





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